

Delmarva Power and Light Company

Rate of Return

<u>Line</u>	<u>Description</u>	<u>Amount</u> (1)	<u>Weight</u> (2)	<u>Cost</u> (3)	<u>Weighted</u> <u>Cost</u> (4)	<u>Pre-Tax</u> <u>Weighted</u> <u>Cost</u> (5)
1	Long-Term Debt	\$ 883,699,338	52.48%	5.45%	2.86%	2.86%
2	Common Equity	\$ 800,043,265	47.52%	9.90%	4.70%	7.96%
3	Total	\$ 1,683,742,603	100.00%		7.56%	10.82%
4	Tax Conversion Factor*					1.6925

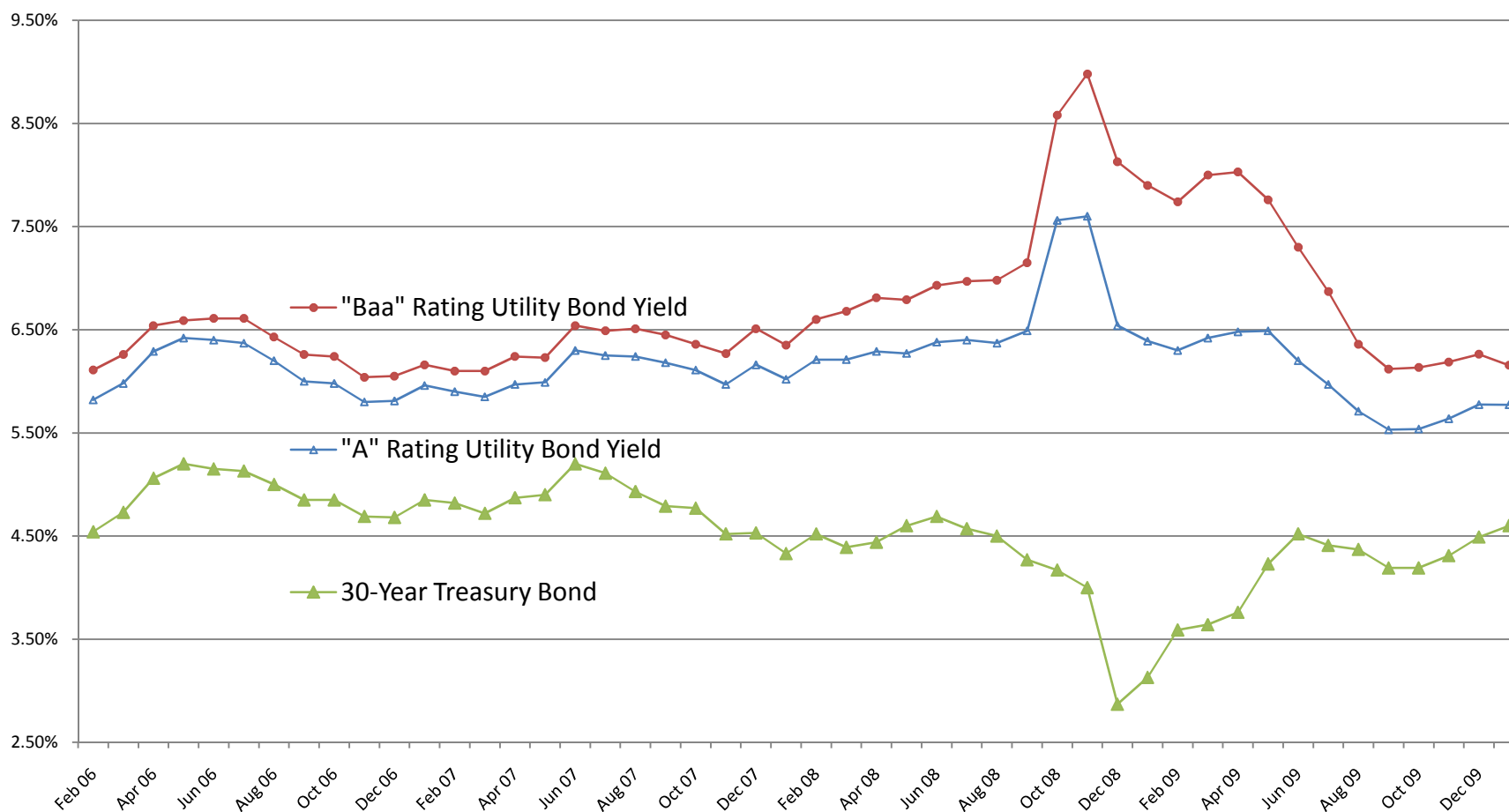
Sources:

Schedule RAM-14 and RAM-15.

* Von Steuben, Schedule No. 1 - B.

Delmarva Power and Light Company

Trends in Utility Bond Yields



Sources:

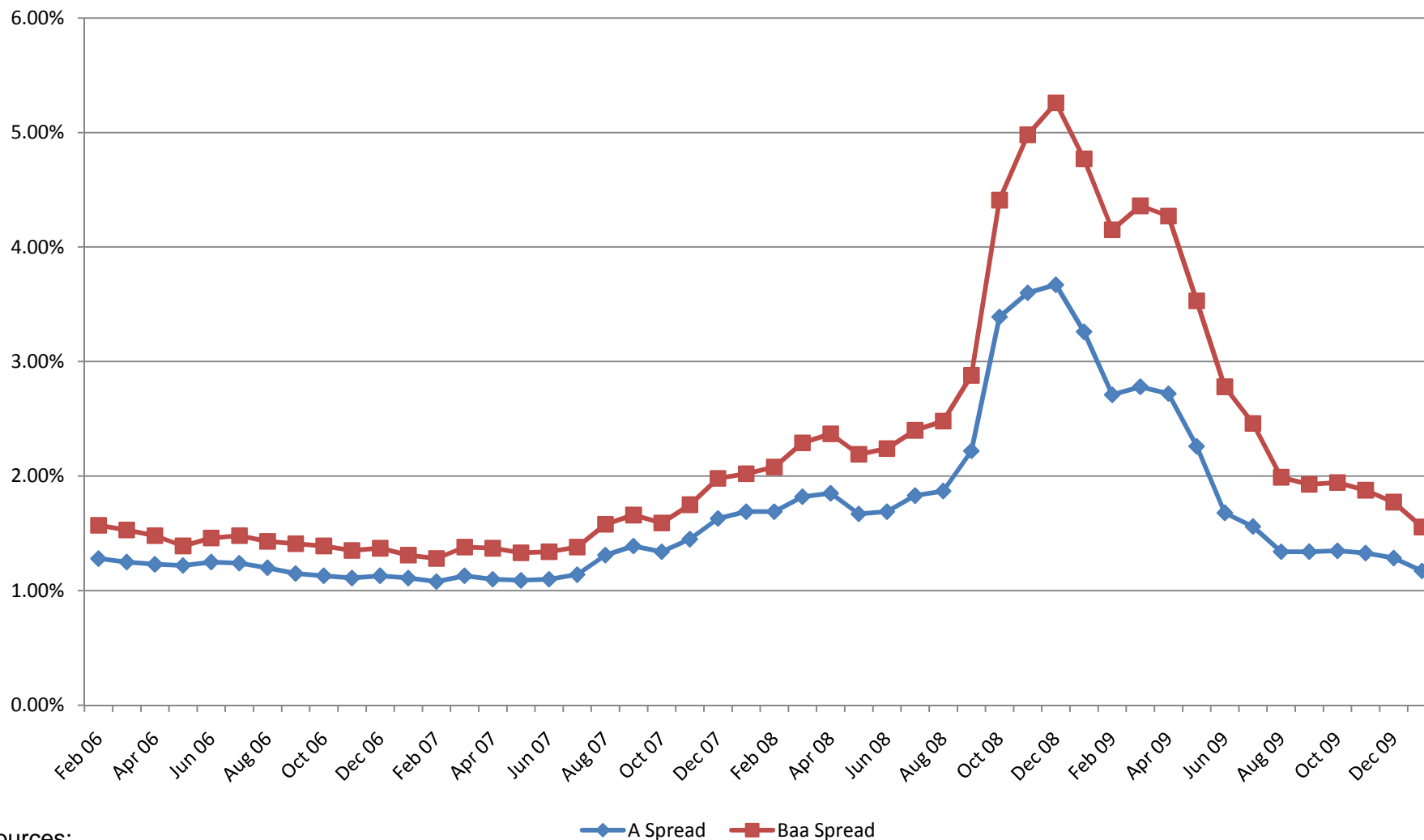
Merchant Bond Record.

www.moodys.com, Bond Yields and Key Indicators.

St. Louis Federal Reserve Bank: Economic Research, <http://research.stlouisfed.org/>

Delmarva Power and Light Company

Spread Between "A" or "Baa" Rated Utility Yield and 30-Year Treasury Bond



Sources:
 Merchant Bond Record.
 www.moodys.com, Bond Yields and Key Indicators.
 St. Louis Federal Reserve Bank: Economic Research, <http://research.stlouisfed.org/>

Delmarva Power and Light Company

Proxy Group (Combination Electric and Gas Utilities)

Line	Company	Bond Ratings ¹		Common Equity Ratios		S&P Business Risk Score ³	EEI Risk Assessment ⁴
		S&P (1)	Moody's (2)	AUS ¹ (3)	Value Line ² (4)		
1	ALLETE	A-	A2	58.0%	58.4%	Strong	Regulated
2	Alliant Energy	A-	A2	51.0%	58.6%	Excellent	Regulated
3	Ameren Corp.	BBB	Baa1	49.0%	50.8%	Satisfactory	Regulated
4	CMS Energy Corp.	BBB	A3	27.0%	27.4%	Excellent	Regulated
5	Consol. Edison	A-	A3	48.0%	51.2%	Excellent	Regulated
6	DTE Energy	A-	A2	44.0%	43.6%	Strong	Regulated
7	Duke Energy	A	Baa2	57.0%	61.3%	Excellent	Mostly Regulated
8	Empire Dist. Elec.	BBB+	Baa1	44.0%	46.4%	Excellent	Regulated
9	Entergy Corp.	A-	Baa1	42.0%	40.2%	Strong	Mostly Regulated
10	Exelon Corp.	A-	A3	51.0%	46.6%	N/A	Mostly Regulated
11	MGE Energy	AA-	Aa2	65.0%	63.7%	N/A	Mostly Regulated
12	Northeast Utilities	BBB+	A3	42.0%	38.1%	Excellent	Regulated
13	North Western Corp.	A-	A3	47.0%	N/A	Excellent	Regulated
14	NSTAR	AA-	A1	44.0%	42.8%	Excellent	Regulated
15	NV Energy Inc.	BB	Ba3	37.0%	37.3%	Excellent	Regulated
16	PG&E Corp.	BBB+	A3	49.0%	46.5%	Excellent	Regulated
17	Public Serv. Enterprise	A-	A2	50.0%	49.0%	Excellent	Mostly Regulated
18	TECO Energy	BBB	Baa1	32.0%	38.5%	Excellent	Regulated
19	Unisource Energy	BBB+	N/R	29.0%	27.1%	N/A	Regulated
20	Wisconsin Energy	A-	A1	47.0%	44.8%	Excellent	Regulated
21	Xcel Energy Inc.	A	A2	47.0%	47.1%	Excellent	Regulated
22	Avista Corp.	BBB+	Baa1	47.0%	51.9%	Excellent	Regulated
23	Average	A-	A3	45.8%	46.3%	Excellent	Regulated
24	Delmarva Power and Light Company	A- ⁵	A3 ⁵		47.5% ⁶	Excellent	Regulated

Sources:

¹ AUS Utility Reports, January 2010.

² The Value Line Investment Survey, November 6, November 27, and December 25, 2009.

³ S&P RatingsDirect: "U.S. Regulated Electric Utilities, Strongest to Weakest," September 1, 2009.

⁴ Edison Electric Institute: Q3 2009 Stock Performance, Companies Listed by Category.

⁵ Kameck Direct at 22.

⁶ Morin Direct, Schedule RAM-15.

Delmarva Power and Light Company

Proxy Group (S&P Electric Utilities)

Line	Company	Bond Ratings ¹		Common Equity Ratios		S&P Business Risk Score ³	EEI Risk Assessment ⁴
		S&P (1)	Moody's (2)	AUS ¹ (3)	Value Line ² (4)		
1	Allegheny Energy	BBB+	Baa1	40.0%	40.9%	Strong	Diversified
2	Ameren Corp.	BBB	Baa1	49.0%	50.8%	Satisfactory	Regulated
3	CMS Energy Corp.	BBB	A3	27.0%	27.4%	Excellent	Regulated
4	CenterPoint Energy	BBB+	Baa1	22.0%	16.7%	Excellent	Mostly Regulated
5	Consol. Edison	A-	A3	48.0%	51.2%	Excellent	Regulated
6	DTE Energy	A-	A2	44.0%	43.6%	Strong	Regulated
7	Dominion Resources	A	Baa1	39.0%	39.8%	Excellent	Mostly Regulated
8	Duke Energy	A	Baa2	57.0%	61.3%	Excellent	Mostly Regulated
9	Edison Int'l	A	A1	44.0%	44.5%	Strong	Mostly Regulated
10	Entergy Corp.	A-	Baa1	42.0%	40.2%	Strong	Mostly Regulated
11	Exelon Corp.	A-	A3	51.0%	46.6%	N/A	Mostly Regulated
12	FPL Group	A	Aa2	42.0%	45.8%	Excellent	Mostly Regulated
13	FirstEnergy Corp.	BBB+	Baa1	35.0%	47.7%	Strong	Mostly Regulated
14	Integrus Energy	A-	A2	51.0%	57.0%	Excellent	Mostly Regulated
15	NiSource, Inc.	BBB-	Baa2	40.0%	44.3%	N/A	Mostly Regulated
16	PG&E Corp.	BBB+	A3	49.0%	46.5%	Excellent	Regulated
17	PPL Corp.	A-	A3	41.0%	40.5%	Excellent	Diversified
18	Pepco Holdings	A-	A3	44.0%	43.8%	Strong	Mostly Regulated
19	Pinnacle West Capital	BBB-	Baa2	48.0%	53.2%	Strong	Regulated
20	Progress Energy	A-	A1	45.0%	44.4%	Excellent	Regulated
21	Public Serv. Enterprise	A-	A2	50.0%	49.0%	Excellent	Mostly Regulated
22	Sempra Energy	A+	Aa3	50.0%	54.2%	N/A	Mostly Regulated
23	Southern Co.	A	A2	42.0%	42.6%	Excellent	Regulated
24	TECO Energy	BBB	Baa1	32.0%	38.5%	Excellent	Regulated
25	Wisconsin Energy	A-	A1	47.0%	44.8%	Excellent	Regulated
26	Xcel Energy Inc.	A	A2	47.0%	47.1%	Excellent	Regulated
27	Average	A-	A3	43.3%	44.7%	Excellent	Mostly Regulated
28	Delmarva Power and Light Company	A- ⁵	A3 ⁵		47.5% ⁶	Excellent	Regulated

Sources:

¹ AUS Utility Reports, January 2010.

² The Value Line Investment Survey, November 6, November 27, and December 25, 2009.

³ S&P RatingsDirect: "U.S. Regulated Electric Utilities, Strongest to Weakest," September 1, 2009.

⁴ Edison Electric Institute: Q3 2009 Stock Performance, Companies Listed by Category.

⁵ Kameron Direct at 22.

⁶ Morin Direct, Schedule RAM-15.

Delmarva Power and Light Company

Growth Rates (Combination Electric and Gas Utilities)

Line	Company	Zacks		SNL		Reuters		Average of Growth Rates
		Estimated Growth % ¹	Number of Estimates	Estimated Growth % ²	Number of Estimates	Estimated Growth % ³	Number of Estimates	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	ALLETE	4.00%	2	4.00%	2	7.50%	2	5.17%
2	Alliant Energy	3.00%	2	4.00%	3	4.00%	2	3.67%
3	Ameren Corp.	3.50%	2	3.00%	1	4.00%	1	3.50%
4	CMS Energy Corp.	5.60%	5	5.00%	6	5.67%	6	5.42%
5	Consol. Edison	3.20%	3	3.00%	5	3.80%	5	3.33%
6	DTE Energy	5.00%	1	3.00%	2	3.33%	3	3.78%
7	Duke Energy	4.40%	5	4.00%	7	4.60%	5	4.33%
8	Empire Dist. Elec.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	Entergy Corp.	4.00%	3	5.00%	4	8.70%	3	5.90%
10	Exelon Corp.	0.50%	2	0.00%	5	2.94%	5	1.15%
11	MGE Energy	5.00%	1	5.00%	1	5.00%	1	5.00%
12	Northeast Utilities	8.89%	3	8.40%	5	8.02%	5	8.44%
13	North Western Corp.	7.67%	3	7.00%	3	7.00%	2	7.22%
14	NSTAR	5.75%	2	5.20%	3	5.31%	4	5.42%
15	NV Energy Inc.	9.33%	3	7.90%	4	9.91%	3	9.05%
16	PG&E Corp.	7.67%	3	7.60%	5	6.93%	5	7.40%
17	Public Serv. Enterprise	3.50%	2	4.00%	3	6.33%	3	4.61%
18	TECO Energy	6.25%	4	5.50%	6	7.00%	4	6.25%
19	Unisource Energy	5.00%	1	5.00%	2	N/A	N/A	5.00%
20	Wisconsin Energy	8.67%	3	10.00%	4	9.12%	5	9.26%
21	Xcel Energy Inc.	5.50%	5	6.50%	7	6.01%	7	6.00%
22	Avista Corp.	5.00%	2	5.00%	1	5.00%	1	5.00%
23	Average	5.31%	3	5.15%	4	6.01%	4	5.47%
24	Median							5.17%

Sources:

¹ Zacks Elite, <http://www.zackselite.com/>, downloaded on February 3, 2010.

² SNL Interactive, <http://www.snl.com/>, downloaded on February 3, 2010.

³ Reuters, <http://www.reuters.com/>, downloaded on February 3, 2010.

Delmarva Power and Light Company

Growth Rates (S&P Electric Utilities)

Line	Company	Zacks		SNL		Reuters		Average of Growth Rates (7)
		Estimated Growth % ¹	Number of Estimates	Estimated Growth % ²	Number of Estimates	Estimated Growth % ³	Number of Estimates	
		(1)	(2)	(3)	(4)	(5)	(6)	
1	Allegheny Energy	12.75%	4	6.00%	2	6.33%	3	8.36%
2	Ameren Corp.	3.50%	2	3.00%	1	4.00%	1	3.50%
3	CMS Energy Corp.	5.60%	5	5.00%	6	5.67%	6	5.42%
4	CenterPoint Energy	5.00%	1	5.00%	1	6.00%	2	5.33%
5	Consol. Edison	3.20%	3	3.00%	5	3.80%	5	3.33%
6	DTE Energy	5.00%	1	3.00%	2	3.33%	3	3.78%
7	Dominion Resources	4.67%	3	4.00%	4	7.27%	3	5.31%
8	Duke Energy	4.40%	5	4.00%	7	4.60%	5	4.33%
9	Edison Int'l	5.00%	2	3.00%	4	3.00%	5	3.67%
10	Entergy Corp.	4.00%	3	5.00%	4	8.70%	3	5.90%
11	Exelon Corp.	0.50%	2	0.00%	5	2.94%	5	1.15%
12	FPL Group	6.93%	6	7.00%	6	7.32%	6	7.08%
13	FirstEnergy Corp.	3.50%	2	3.00%	3	5.00%	1	3.83%
14	Integrus Energy	12.55%	2	12.60%	2	4.50%	2	9.88%
15	NiSource, Inc.	3.00%	2	3.00%	2	0.33%	3	2.11%
16	PG&E Corp.	7.67%	3	7.60%	5	6.93%	5	7.40%
17	PPL Corp.	11.45%	2	11.50%	2	8.96%	3	10.64%
18	Pepco Holdings	5.33%	3	5.00%	3	6.33%	3	5.55%
19	Pinnacle West Capital	7.00%	3	8.00%	3	4.40%	5	6.47%
20	Progress Energy	4.00%	4	4.00%	6	3.88%	6	3.96%
21	Public Serv. Enterprise	3.50%	2	4.00%	3	6.33%	3	4.61%
22	Sempra Energy	7.00%	1	7.00%	2	6.50%	2	6.83%
23	Southern Co.	7.09%	7	4.30%	7	4.91%	7	5.43%
24	TECO Energy	6.25%	4	5.50%	6	7.00%	4	6.25%
25	Wisconsin Energy	8.67%	3	10.00%	4	9.12%	5	9.26%
26	Xcel Energy Inc.	5.50%	5	6.50%	7	6.01%	7	6.00%
27	Average	5.89%	3	5.38%	4	5.51%	4	5.59%
28	Median							5.43%

Sources:

¹ Zacks Elite, <http://www.zackselite.com/>, downloaded on February 3, 2010.

² SNL Interactive, <http://www.snl.com/>, downloaded on February 3, 2010.

³ Reuters, <http://www.reuters.com/>, downloaded on February 3, 2010.

Delmarva Power and Light Company

Constant Growth DCF Model (Combination Electric and Gas Utilities)

<u>Line</u>	<u>Company</u>	<u>13-Week AVG Stock Price¹</u> (1)	<u>Analysts' Growth²</u> (2)	<u>Annual Dividend³</u> (3)	<u>Adjusted Yield</u> (4)	<u>Constant Growth DCF</u> (5)
1	ALLETE	\$32.94	5.17%	\$1.76	5.62%	10.79%
2	Alliant Energy	\$29.84	3.67%	\$1.50	5.21%	8.88%
3	Ameren Corp.	\$26.65	3.50%	\$1.54	5.98%	9.48%
4	CMS Energy Corp.	\$15.00	5.42%	\$0.50	3.51%	8.94%
5	Consol. Edison	\$44.02	3.33%	\$2.36	5.54%	8.87%
6	DTE Energy	\$41.98	3.78%	\$2.12	5.24%	9.02%
7	Duke Energy	\$16.84	4.33%	\$0.96	5.95%	10.28%
8	Empire Dist. Elec.	\$18.59	N/A	\$1.28	N/A	N/A
9	Entergy Corp.	\$80.31	5.90%	\$3.00	3.96%	9.86%
10	Exelon Corp.	\$48.39	1.15%	\$2.10	4.39%	5.54%
11	MGE Energy	\$35.20	5.00%	\$1.47	4.40%	9.40%
12	Northeast Utilities	\$25.02	8.44%	\$0.95	4.12%	12.55%
13	North Western Corp.	\$25.63	7.22%	\$1.34	5.61%	12.83%
14	NSTAR	\$34.52	5.42%	\$1.50	4.58%	10.00%
15	NV Energy Inc.	\$12.03	9.05%	\$0.40	3.63%	12.67%
16	PG&E Corp.	\$43.59	7.40%	\$1.68	4.14%	11.54%
17	Public Serv. Enterprise	\$32.11	4.61%	\$1.33	4.33%	8.94%
18	TECO Energy	\$15.55	6.25%	\$0.80	5.47%	11.72%
19	Unisource Energy	\$31.22	5.00%	\$1.16	3.90%	8.90%
20	Wisconsin Energy	\$47.52	9.26%	\$1.35	3.10%	12.37%
21	Xcel Energy Inc.	\$20.67	6.00%	\$0.98	5.02%	11.03%
22	Avista Corp.	\$20.95	5.00%	\$0.84	4.21%	9.21%
23	Average	\$31.75	5.47%	\$1.41	4.66%	10.13%
24	Median		5.17%		4.40%	9.86%

Sources:

¹ <http://moneycentral.msn.com>, downloaded on February 4, 2010.

² Exhibit MPG-4, page 1, column 7.

³ *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

Delmarva Power and Light Company

Constant Growth DCF Model (S&P Electric Utilities)

<u>Line</u>	<u>Company</u>	<u>13-Week AVG Stock Price¹</u> (1)	<u>Analysts' Growth²</u> (2)	<u>Annual Dividend³</u> (3)	<u>Adjusted Yield</u> (4)	<u>Constant Growth DCF</u> (5)
1	Allegheny Energy	\$22.78	8.36%	\$0.60	2.85%	11.21%
2	Ameren Corp.	\$26.65	3.50%	\$1.54	5.98%	9.48%
3	CMS Energy Corp.	\$15.00	5.42%	\$0.50	3.51%	8.94%
4	CenterPoint Energy	\$13.85	5.33%	\$0.76	5.78%	11.11%
5	Consol. Edison	\$44.02	3.33%	\$2.36	5.54%	8.87%
6	DTE Energy	\$41.98	3.78%	\$2.12	5.24%	9.02%
7	Dominion Resources	\$37.87	5.31%	\$1.75	4.87%	10.18%
8	Duke Energy	\$16.84	4.33%	\$0.96	5.95%	10.28%
9	Edison Int'l	\$34.50	3.67%	\$1.24	3.73%	7.39%
10	Entergy Corp.	\$80.31	5.90%	\$3.00	3.96%	9.86%
11	Exelon Corp.	\$48.39	1.15%	\$2.10	4.39%	5.54%
12	FPL Group	\$52.03	7.08%	\$1.89	3.89%	10.97%
13	FirstEnergy Corp.	\$44.84	3.83%	\$2.20	5.09%	8.93%
14	Integrus Energy	\$40.46	9.88%	\$2.72	7.39%	17.27%
15	NiSource, Inc.	\$14.75	2.11%	\$0.92	6.37%	8.48%
16	PG&E Corp.	\$43.59	7.40%	\$1.68	4.14%	11.54%
17	PPL Corp.	\$31.33	10.64%	\$1.38	4.87%	15.51%
18	Pepco Holdings	\$16.50	5.55%	\$1.08	6.91%	12.46%
19	Pinnacle West Capital	\$35.82	6.47%	\$2.10	6.24%	12.71%
20	Progress Energy	\$39.66	3.96%	\$2.48	6.50%	10.46%
21	Public Serv. Enterprise	\$32.11	4.61%	\$1.33	4.33%	8.94%
22	Sempra Energy	\$53.49	6.83%	\$1.56	3.12%	9.95%
23	Southern Co.	\$32.74	5.43%	\$1.75	5.64%	11.07%
24	TECO Energy	\$15.55	6.25%	\$0.80	5.47%	11.72%
25	Wisconsin Energy	\$47.52	9.26%	\$1.35	3.10%	12.37%
26	Xcel Energy Inc.	\$20.67	6.00%	\$0.98	5.02%	11.03%
27	Average	\$34.74	5.59%	\$1.58	5.00%	10.59%
28	Median		5.43%		5.06%	10.37%

Sources:

¹ <http://moneycentral.msn.com>, downloaded on February 4, 2010.

² Exhibit MPG-4, page 2, column 7.

³ *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

Delmarva Power and Light Company

Dividend Yields (Combination Electric and Gas Utilities)

Line	Company	Actual						'04 - '08 Average Dividend Yield
		2004 (1)	2005 (2)	2006 (3)	2007 (4)	2008 (5)	2009 ¹ (6)	
1	ALLETE	0.90%	2.80%	3.20%	3.60%	4.40%	5.34%	2.98%
2	Alliant Energy	3.90%	3.80%	3.30%	3.10%	4.10%	5.03%	3.64%
3	Ameren Corp.	5.50%	4.90%	4.90%	4.90%	6.20%	5.78%	5.28%
4	CMS Energy Corp.	N/A	N/A	N/A	1.20%	2.70%	3.33%	1.95%
5	Consol. Edison	5.30%	5.00%	5.00%	4.80%	5.70%	5.36%	5.16%
6	DTE Energy	5.00%	4.60%	4.90%	4.40%	5.20%	5.05%	4.82%
7	Duke Energy	N/A	N/A	N/A	4.40%	5.20%	5.70%	4.80%
8	Empire Dist. Elec.	6.00%	5.70%	5.70%	5.40%	6.30%	6.88%	5.82%
9	Entergy Corp.	3.20%	3.00%	2.80%	2.40%	2.90%	3.74%	2.86%
10	Exelon Corp.	3.50%	3.20%	2.80%	2.50%	2.80%	4.34%	2.96%
11	MGE Energy	4.30%	3.90%	4.30%	4.10%	4.20%	4.19%	4.16%
12	Northeast Utilities	3.30%	3.50%	3.30%	2.60%	3.20%	3.80%	3.18%
13	North Western Corp.	N/A	N/A	N/A	4.60%	5.40%	5.23%	5.00%
14	NSTAR	4.60%	3.10%	5.00%	3.90%	4.30%	4.35%	4.18%
15	NV Energy Inc.	N/A	N/A	N/A	0.90%	2.90%	3.32%	1.90%
16	PG&E Corp.	N/A	3.40%	3.20%	3.10%	4.00%	3.85%	3.43%
17	Public Serv. Enterprise	5.10%	3.80%	3.50%	2.70%	3.30%	4.14%	3.68%
18	TECO Energy	5.50%	4.40%	4.70%	4.60%	4.90%	5.15%	4.82%
19	Unisource Energy	2.60%	2.50%	2.60%	2.60%	3.30%	3.72%	2.72%
20	Wisconsin Energy	2.60%	2.40%	2.20%	2.10%	2.40%	2.84%	2.34%
21	Xcel Energy Inc.	4.70%	4.60%	4.40%	4.00%	4.70%	4.74%	4.48%
22	Avista Corp.	2.90%	3.00%	2.50%	2.70%	3.40%	4.01%	2.90%
23	Average	4.05%	3.76%	3.79%	3.39%	4.16%	4.54%	3.78%

Sources:

The Value Line Investment Survey, November 6, November 27, and December 25, 2009.

¹ Exhibit MPG-5, page 1, column 3 / Exhibit MPG-5, page 1, column 1.

Delmarva Power and Light Company

Dividend Yields (S&P Electric Utilities)

Line	Company	Actual						'04 - '08 Average
		2004 (1)	2005 (2)	2006 (3)	2007 (4)	2008 (5)	2009 ¹ (6)	Dividend Yield (7)
1	Allegheny Energy	N/A	N/A	N/A	0.30%	1.30%	2.63%	0.80%
2	Ameren Corp.	5.50%	4.90%	4.90%	4.90%	6.20%	5.78%	5.28%
3	CMS Energy Corp.	N/A	N/A	N/A	1.20%	2.70%	3.33%	1.95%
4	CenterPoint Energy	3.70%	3.10%	4.40%	3.90%	5.00%	5.49%	4.02%
5	Consol. Edison	5.30%	5.00%	5.00%	4.80%	5.70%	5.36%	5.16%
6	DTE Energy	5.00%	4.60%	4.90%	4.40%	5.20%	5.05%	4.82%
7	Dominion Resources	4.00%	3.60%	3.60%	3.30%	3.80%	4.62%	3.66%
8	Duke Energy	N/A	N/A	N/A	4.40%	5.20%	5.70%	4.80%
9	Edison Int'l	3.10%	2.60%	2.60%	2.20%	2.70%	3.59%	2.64%
10	Entergy Corp.	3.20%	3.00%	2.80%	2.40%	2.90%	3.74%	2.86%
11	Exelon Corp.	3.50%	3.20%	2.80%	2.50%	2.80%	4.34%	2.96%
12	FPL Group	3.90%	3.40%	3.40%	2.70%	3.00%	3.63%	3.28%
13	FirstEnergy Corp.	4.90%	3.70%	3.40%	3.10%	3.20%	4.91%	3.66%
14	Integrus Energy	4.70%	4.10%	4.40%	4.80%	5.50%	6.72%	4.70%
15	NiSource, Inc.	4.40%	4.00%	4.20%	4.30%	5.70%	6.24%	4.52%
16	PG&E Corp.	N/A	3.40%	3.20%	3.10%	4.00%	3.85%	3.43%
17	PPL Corp.	3.50%	3.30%	3.40%	2.70%	3.10%	4.41%	3.20%
18	Pepco Holdings	5.00%	4.50%	4.30%	3.70%	4.60%	6.55%	4.42%
19	Pinnacle West Capital	4.50%	4.50%	4.70%	4.80%	6.20%	5.86%	4.94%
20	Progress Energy	5.30%	5.50%	5.50%	5.10%	5.80%	6.25%	5.44%
21	Public Serv. Enterprise	5.10%	3.80%	3.50%	2.70%	3.30%	4.14%	3.68%
22	Sempra Energy	2.90%	2.80%	2.50%	2.10%	2.60%	2.92%	2.58%
23	Southern Co.	4.70%	4.40%	4.50%	4.40%	4.60%	5.35%	4.52%
24	TECO Energy	5.50%	4.40%	4.70%	4.60%	4.90%	5.15%	4.82%
25	Wisconsin Energy	2.60%	2.40%	2.20%	2.10%	2.40%	2.84%	2.34%
26	Xcel Energy Inc.	4.70%	4.60%	4.40%	4.00%	4.70%	4.74%	4.48%
27	Average	4.32%	3.86%	3.88%	3.40%	4.12%	4.74%	3.81%

Sources:

The Value Line Investment Survey, November 6, November 27, and December 25, 2009.

¹ Exhibit MPG-5, page 2, column 3 / Exhibit MPG-5, page 2, column 1.

Delmarva Power and Light Company

Historical Growth Rates (Combination Electric and Gas Utilities)

Line	Company	Dividend Growth ¹			Inflation (CPI)			Nominal GDP			
		Historical		3-5 Years	Historical ¹		3-5 Years	Historical ¹		Projected ³	
		10 Years	5 Years	Projection	10 Years	5 Years	Projection ²	10 Years	5 Years	5 Years	10 Years
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	ALLETE	N/A	N/A	3.0%							
2	Alliant Energy	-4.5%	-5.0%	7.0%							
3	Ameren Corp.	N/A	N/A	-6.5%							
4	CMS Energy Corp.	-16.5%	-26.0%	27.5%							
5	Consol. Edison	1.0%	1.0%	1.0%							
6	DTE Energy	N/A	0.5%	3.0%							
7	Duke Energy	N/A	N/A	N/A							
8	Empire Dist. Elec.	N/A	N/A	1.0%							
9	Entergy Corp.	4.5%	13.0%	5.5%							
10	Exelon Corp.	N/A	15.0%	4.5%							
11	MGE Energy	1.0%	1.0%	0.5%							
12	Northeast Utilities	3.5%	8.5%	7.0%							
13	North Western Corp.	N/A	N/A	N/A							
14	NSTAR	4.0%	6.0%	5.5%							
15	NV Energy Inc.	-20.0%	-3.5%	N/A							
16	PG&E Corp.	0.5%	N/A	7.5%							
17	Public Serv. Enterprise	1.0%	2.0%	6.0%							
18	TECO Energy	-4.0%	-9.0%	2.5%							
19	Unisource Energy	N/A	12.5%	10.0%							
20	Wisconsin Energy	-4.0%	4.5%	13.5%							
21	Xcel Energy Inc.	-4.0%	-4.0%	3.0%							
22	Avista Corp.	-6.0%	5.0%	11.5%							
23	Average	-3.1%	1.3%	5.9%	2.8%	3.2%	2.5%	5.0%	5.3%	5.1%	4.9%

Sources:

¹ *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

² *The Value Line Investment Survey*, November 6, 2009.

³ *Blue Chip Economic Indicators*, December 1, 2009 at 14.

Delmarva Power and Light Company

Historical Growth Rates (S&P Electric Utilities)

Line	Company	Dividend Growth ¹			Inflation (CPI)			Nominal GDP			
		Historical		3-5 Years	Historical ¹		3-5 Years	Historical ¹		Projected ³	
		10 Years	5 Years	Projection	10 Years	5 Years	Projection ²	10 Years	5 Years	5 Years	10 Years
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Allegheny Energy	-17.5%	-24.5%	30.0%							
2	Ameren Corp.	N/A	N/A	-6.5%							
3	CMS Energy Corp.	-16.5%	-26.0%	27.5%							
4	CenterPoint Energy	N/A	-7.5%	5.0%							
5	Consol. Edison	1.0%	1.0%	1.0%							
6	DTE Energy	N/A	0.5%	3.0%							
7	Dominion Resources	1.5%	2.5%	7.0%							
8	Duke Energy	N/A	N/A	N/A							
9	Edison Int'l	1.5%	N/A	4.5%							
10	Entergy Corp.	4.5%	13.0%	5.5%							
11	Exelon Corp.	N/A	15.0%	4.5%							
12	FPL Group	5.5%	7.0%	6.0%							
13	FirstEnergy Corp.	3.0%	6.5%	4.0%							
14	Integrus Energy	2.5%	3.5%	1.5%							
15	NiSource, Inc.	N/A	-4.0%	N/A							
16	PG&E Corp.	0.5%	N/A	7.5%							
17	PPL Corp.	4.5%	12.5%	7.5%							
18	Pepco Holdings	N/A	17.5%	N/A							
19	Pinnacle West Capital	6.5%	5.0%	1.0%							
20	Progress Energy	2.5%	2.0%	1.0%							
21	Public Serv. Enterprise	1.0%	2.0%	6.0%							
22	Sempra Energy	-2.0%	5.0%	8.5%							
23	Southern Co.	2.0%	3.0%	4.0%							
24	TECO Energy	-4.0%	-9.0%	2.5%							
25	Wisconsin Energy	-4.0%	4.5%	13.5%							
26	Xcel Energy Inc.	-4.0%	-4.0%	3.0%							
27	Average	-0.6%	1.2%	6.4%	2.8%	3.2%	2.5%	5.0%	5.3%	5.1%	4.9%

Sources:

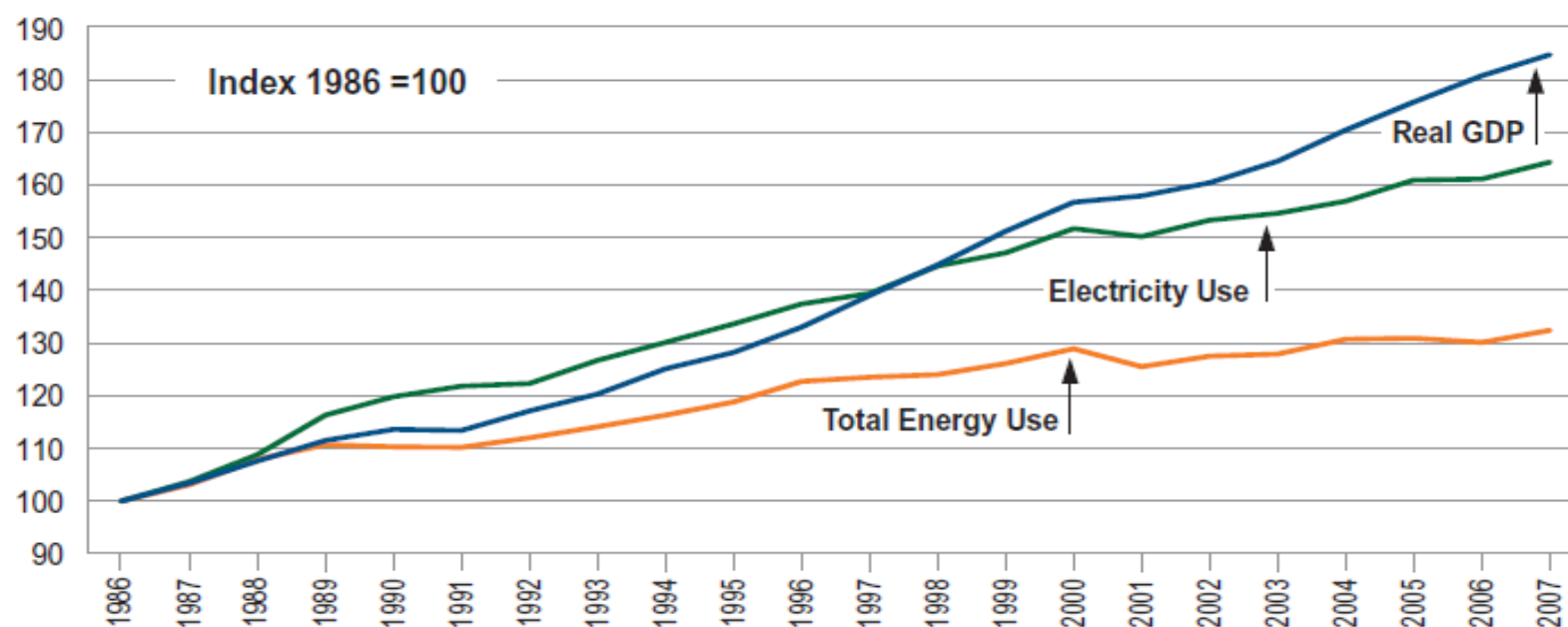
¹ *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

² *The Value Line Investment Survey*, December 25, 2009.

³ *Blue Chip Economic Indicators*, December 1, 2009 at 14.

Delmarva Power and Light Company

Electricity Sales Are Linked to U.S. Economic Growth



1986 represents the base year. Graph depicts increases or decreases from the base year.

Source: U.S. Department of Energy, Energy Information Administration (EIA).

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Delmarva Power and Light Company

Current and Projected Payout Ratios (Combination Electric and Gas Utilities)

<u>Line</u>	<u>Company</u>	<u>Dividends Per Share</u>		<u>Earnings Per Share</u>		<u>Payout Ratio</u>	
		<u>2008</u>	<u>3-5 Years</u>	<u>2008</u>	<u>3-5 Years</u>	<u>2008</u>	<u>3-5 Years</u>
		(1)	(2)	(3)	(4)	(5)	(6)
1	ALLETE	\$1.72	\$1.90	\$2.82	\$2.75	60.99%	69.09%
2	Alliant Energy	\$1.40	\$1.92	\$2.54	\$3.10	55.12%	61.94%
3	Ameren Corp.	\$2.54	\$1.70	\$2.88	\$3.00	88.19%	56.67%
4	CMS Energy Corp.	\$0.36	\$0.80	\$1.23	\$1.50	29.27%	53.33%
5	Consol. Edison	\$2.34	\$2.44	\$3.36	\$3.85	69.64%	63.38%
6	DTE Energy	\$2.12	\$2.50	\$2.73	\$4.25	77.66%	58.82%
7	Duke Energy	\$0.90	\$1.10	\$1.01	\$1.40	89.11%	78.57%
8	Empire Dist. Elec.	\$1.28	\$1.35	\$1.17	\$1.75	109.40%	77.14%
9	Entergy Corp.	\$3.00	\$3.60	\$6.20	\$8.00	48.39%	45.00%
10	Exelon Corp.	\$2.05	\$2.40	\$4.10	\$5.00	50.00%	48.00%
11	MGE Energy	\$1.43	\$1.58	\$2.38	\$2.80	60.08%	56.43%
12	Northeast Utilities	\$0.83	\$1.15	\$1.86	\$2.25	44.62%	51.11%
13	North Western Corp.	\$1.32	N/A	\$1.77	N/A	74.58%	N/A
14	NSTAR	\$1.43	\$1.95	\$2.22	\$3.25	64.41%	60.00%
15	NV Energy Inc.	\$0.34	\$0.80	\$0.89	\$1.50	38.20%	53.33%
16	PG&E Corp.	\$1.56	\$2.20	\$3.22	\$4.25	48.45%	51.76%
17	Public Serv. Enterprise	\$1.29	\$1.70	\$2.90	\$3.75	44.48%	45.33%
18	TECO Energy	\$0.80	\$0.90	\$0.77	\$1.40	103.90%	64.29%
19	Unisource Energy	\$0.96	\$1.60	\$0.39	\$3.25	246.15%	49.23%
20	Wisconsin Energy	\$1.08	\$2.15	\$3.03	\$4.50	35.64%	47.78%
21	Xcel Energy Inc.	\$0.94	\$1.10	\$1.46	\$2.00	64.38%	55.00%
22	Avista Corp.	\$0.69	\$1.20	\$1.36	\$1.75	50.74%	68.57%
23	Average	\$1.38	\$1.72	\$2.29	\$3.11	70.61%	57.85%

Source:

The Value Line Investment Survey, November 6, November 27, and December 25, 2009.

Delmarva Power and Light Company

Current and Projected Payout Ratios (S&P Electric Utilities)

<u>Line</u>	<u>Company</u>	<u>Dividends Per Share</u>		<u>Earnings Per Share</u>		<u>Payout Ratio</u>	
		<u>2008</u>	<u>3-5 Years</u>	<u>2008</u>	<u>3-5 Years</u>	<u>2008</u>	<u>3-5 Years</u>
		(1)	(2)	(3)	(4)	(5)	(6)
1	Allegheny Energy	\$0.60	\$1.20	\$2.33	\$3.35	25.75%	35.82%
2	Ameren Corp.	\$2.54	\$1.70	\$2.88	\$3.00	88.19%	56.67%
3	CMS Energy Corp.	\$0.36	\$0.80	\$1.23	\$1.50	29.27%	53.33%
4	CenterPoint Energy	\$0.73	\$0.90	\$1.30	\$1.50	56.15%	60.00%
5	Consol. Edison	\$2.34	\$2.44	\$3.36	\$3.85	69.64%	63.38%
6	DTE Energy	\$2.12	\$2.50	\$2.73	\$4.25	77.66%	58.82%
7	Dominion Resources	\$1.58	\$2.20	\$3.04	\$4.00	51.97%	55.00%
8	Duke Energy	\$0.90	\$1.10	\$1.01	\$1.40	89.11%	78.57%
9	Edison Int'l	\$1.23	\$1.50	\$3.68	\$4.50	33.42%	33.33%
10	Entergy Corp.	\$3.00	\$3.60	\$6.20	\$8.00	48.39%	45.00%
11	Exelon Corp.	\$2.05	\$2.40	\$4.10	\$5.00	50.00%	48.00%
12	FPL Group	\$1.78	\$2.30	\$4.07	\$5.00	43.73%	46.00%
13	FirstEnergy Corp.	\$2.20	\$2.60	\$4.38	\$5.00	50.23%	52.00%
14	Integrus Energy	\$2.68	\$2.72	\$1.58	\$3.50	169.62%	77.71%
15	NiSource, Inc.	\$0.92	\$0.92	\$1.34	\$1.35	68.66%	68.15%
16	PG&E Corp.	\$1.56	\$2.20	\$3.22	\$4.25	48.45%	51.76%
17	PPL Corp.	\$1.34	\$1.90	\$2.45	\$3.75	54.69%	50.67%
18	Pepco Holdings	\$1.08	\$1.08	\$1.93	\$1.60	55.96%	67.50%
19	Pinnacle West Capital	\$2.10	\$2.20	\$2.12	\$3.25	99.06%	67.69%
20	Progress Energy	\$2.46	\$2.56	\$2.96	\$3.60	83.11%	71.11%
21	Public Serv. Enterprise	\$1.29	\$1.70	\$2.90	\$3.75	44.48%	45.33%
22	Sempra Energy	\$1.37	\$2.10	\$4.43	\$6.00	30.93%	35.00%
23	Southern Co.	\$1.66	\$2.00	\$2.25	\$3.00	73.78%	66.67%
24	TECO Energy	\$0.80	\$0.90	\$0.77	\$1.40	103.90%	64.29%
25	Wisconsin Energy	\$1.08	\$2.15	\$3.03	\$4.50	35.64%	47.78%
26	Xcel Energy Inc.	\$0.94	\$1.10	\$1.46	\$2.00	64.38%	55.00%
27	Average	\$1.57	\$1.88	\$2.72	\$3.55	63.31%	55.95%

Source:

The Value Line Investment Survey, November 6, November 27, and December 25, 2009.

Delmarva Power and Light Company

Sustainable Growth Rate (Combination Electric and Gas Utilities)

Line	Company	3 to 5 Year Projections									Growth Rate Plus S * V ¹ (10)
		Dividends	Earnings	Book Value		Adjustment	Adjusted	Payout	Retention	Internal	
		Per Share (1)	Per Share (2)	Per Share (3)	ROE (4)	Factor (5)	ROE (6)	Ratio (7)	Rate (8)	Growth Rate (9)	
1	ALLETE	\$1.90	\$2.75	\$28.25	9.73%	1.01	9.84%	69.09%	30.91%	3.04%	4.59%
2	Alliant Energy	\$1.92	\$3.10	\$31.05	9.98%	1.02	10.18%	61.94%	38.06%	3.87%	4.04%
3	Ameren Corp.	\$1.70	\$3.00	\$37.25	8.05%	1.01	8.16%	56.67%	43.33%	3.53%	2.88%
4	CMS Energy Corp.	\$0.80	\$1.50	\$14.25	10.53%	1.03	10.81%	53.33%	46.67%	5.04%	5.42%
5	Consol. Edison	\$2.44	\$3.85	\$41.05	9.38%	1.01	9.52%	63.38%	36.62%	3.49%	3.68%
6	DTE Energy	\$2.50	\$4.25	\$42.50	10.00%	1.01	10.14%	58.82%	41.18%	4.18%	4.43%
7	Duke Energy	\$1.10	\$1.40	\$17.25	8.12%	1.00	8.15%	78.57%	21.43%	1.75%	1.76%
8	Empire Dist. Elec.	\$1.35	\$1.75	\$17.25	10.14%	1.01	10.25%	77.14%	22.86%	2.34%	3.19%
9	Entergy Corp.	\$3.60	\$8.00	\$57.50	13.91%	1.03	14.35%	45.00%	55.00%	7.89%	6.97%
10	Exelon Corp.	\$2.40	\$5.00	\$26.25	19.05%	1.04	19.90%	48.00%	52.00%	10.35%	9.01%
11	MGE Energy	\$1.58	\$2.80	\$21.05	13.30%	1.00	13.31%	56.43%	43.57%	5.80%	7.01%
12	Northeast Utilities	\$1.15	\$2.25	\$24.50	9.18%	1.02	9.40%	51.11%	48.89%	4.60%	5.71%
13	North Western Corp.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14	NSTAR	\$1.95	\$3.25	\$22.00	14.77%	1.03	15.18%	60.00%	40.00%	6.07%	6.07%
15	NV Energy Inc.	\$0.80	\$1.50	\$16.50	9.09%	1.02	9.28%	53.33%	46.67%	4.33%	4.20%
16	PG&E Corp.	\$2.20	\$4.25	\$35.75	11.89%	1.03	12.27%	51.76%	48.24%	5.92%	7.32%
17	Public Serv. Enterprise	\$1.70	\$3.75	\$24.00	15.63%	1.04	16.32%	45.33%	54.67%	8.92%	8.22%
18	TECO Energy	\$0.90	\$1.40	\$11.75	11.91%	1.02	12.18%	64.29%	35.71%	4.35%	4.66%
19	Unisource Energy	\$1.60	\$3.25	\$28.95	11.23%	1.04	11.69%	49.23%	50.77%	5.93%	6.64%
20	Wisconsin Energy	\$2.15	\$4.50	\$38.00	11.84%	1.03	12.18%	47.78%	52.22%	6.36%	6.37%
21	Xcel Energy Inc.	\$1.10	\$2.00	\$19.00	10.53%	1.02	10.75%	55.00%	45.00%	4.84%	4.99%
22	Avista Corp.	\$1.20	\$1.75	\$21.50	8.14%	1.02	8.27%	68.57%	31.43%	2.60%	2.81%
23	Average	\$1.72	\$3.11	\$27.41	11.26%	1.02	11.53%	57.85%	42.15%	5.01%	5.24%
24	Median										4.99%

Sources:

The Value Line Investment Survey, November 6, November 27, and December 25, 2009.

¹ Page 3, Column 9.

Delmarva Power and Light Company

Sustainable Growth Rate (S&P Electric Utilities)

Line	Company	3 to 5 Year Projections									Growth
		Dividends	Earnings	Book Value	ROE	Adjustment	Adjusted	Payout	Retention	Internal	Rate Plus
		Per Share	Per Share	Per Share		Factor	ROE	Ratio	Rate	Growth Rate	S * V ¹
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Allegheny Energy	\$1.20	\$3.35	\$25.90	12.93%	1.04	13.49%	35.82%	64.18%	8.66%	8.85%
2	Ameren Corp.	\$1.70	\$3.00	\$37.25	8.05%	1.01	8.16%	56.67%	43.33%	3.53%	2.88%
3	CMS Energy Corp.	\$0.80	\$1.50	\$14.25	10.53%	1.03	10.81%	53.33%	46.67%	5.04%	5.42%
4	CenterPoint Energy	\$0.90	\$1.50	\$9.00	16.67%	1.04	17.37%	60.00%	40.00%	6.95%	12.28%
5	Consol. Edison	\$2.44	\$3.85	\$41.05	9.38%	1.01	9.52%	63.38%	36.62%	3.49%	3.68%
6	DTE Energy	\$2.50	\$4.25	\$42.50	10.00%	1.01	10.14%	58.82%	41.18%	4.18%	4.43%
7	Dominion Resources	\$2.20	\$4.00	\$26.00	15.38%	1.04	16.01%	55.00%	45.00%	7.21%	8.79%
8	Duke Energy	\$1.10	\$1.40	\$17.25	8.12%	1.00	8.15%	78.57%	21.43%	1.75%	1.76%
9	Edison Int'l	\$1.50	\$4.50	\$39.75	11.32%	1.03	11.67%	33.33%	66.67%	7.78%	7.78%
10	Entergy Corp.	\$3.60	\$8.00	\$57.50	13.91%	1.03	14.35%	45.00%	55.00%	7.89%	6.97%
11	Exelon Corp.	\$2.40	\$5.00	\$26.25	19.05%	1.04	19.90%	48.00%	52.00%	10.35%	9.01%
12	FPL Group	\$2.30	\$5.00	\$41.25	12.12%	1.04	12.57%	46.00%	54.00%	6.79%	7.92%
13	FirstEnergy Corp.	\$2.60	\$5.00	\$35.75	13.99%	1.03	14.37%	52.00%	48.00%	6.90%	6.90%
14	Integrus Energy	\$2.72	\$3.50	\$39.00	8.97%	1.00	8.93%	77.71%	22.29%	1.99%	1.98%
15	NiSource, Inc.	\$0.92	\$1.35	\$18.55	7.28%	1.01	7.33%	68.15%	31.85%	2.34%	2.29%
16	PG&E Corp.	\$2.20	\$4.25	\$35.75	11.89%	1.03	12.27%	51.76%	48.24%	5.92%	7.32%
17	PPL Corp.	\$1.90	\$3.75	\$19.50	19.23%	1.04	19.93%	50.67%	49.33%	9.83%	9.51%
18	Pepco Holdings	\$1.08	\$1.60	\$20.75	7.71%	1.01	7.77%	67.50%	32.50%	2.53%	1.99%
19	Pinnacle West Capital	\$2.20	\$3.25	\$37.25	8.72%	1.01	8.80%	67.69%	32.31%	2.84%	3.00%
20	Progress Energy	\$2.56	\$3.60	\$36.80	9.78%	1.01	9.90%	71.11%	28.89%	2.86%	3.24%
21	Public Serv. Enterprise	\$1.70	\$3.75	\$24.00	15.63%	1.04	16.32%	45.33%	54.67%	8.92%	8.22%
22	Sempra Energy	\$2.10	\$6.00	\$51.25	11.71%	1.04	12.23%	35.00%	65.00%	7.95%	8.29%
23	Southern Co.	\$2.00	\$3.00	\$21.75	13.79%	1.02	14.13%	66.67%	33.33%	4.71%	5.76%
24	TECO Energy	\$0.90	\$1.40	\$11.75	11.91%	1.02	12.18%	64.29%	35.71%	4.35%	4.66%
25	Wisconsin Energy	\$2.15	\$4.50	\$38.00	11.84%	1.03	12.18%	47.78%	52.22%	6.36%	6.37%
26	Xcel Energy Inc.	\$1.10	\$2.00	\$19.00	10.53%	1.02	10.75%	55.00%	45.00%	4.84%	4.99%
27	Average	\$1.88	\$3.55	\$30.27	11.94%	1.03	12.28%	55.95%	44.05%	5.61%	5.94%
28	Median										6.07%

Sources:

The Value Line Investment Survey, November 6, November 27, and December 25, 2009.

¹ Page 4, Column 9.

Delmarva Power and Light Company

Sustainable Growth (Combination Electric and Gas Utilities)

Line	Company	13-Week Average Stock Price ¹	2008 Book Value P/S Projection ²	Market to Book Ratio	Common Shares Outstanding (in Millions) ²		Growth (6)	S Factor ³ (7)	V Factor ⁴ (8)	S * V (9)
		(1)	(2)	(3)	2008 (4)	3-5 Years (5)				
1	ALLETE	\$32.94	\$25.37	1.30	32.60	42.00	5.20%	6.75%	22.98%	1.55%
2	Alliant Energy	\$29.84	\$25.56	1.17	110.45	116.00	0.99%	1.15%	14.36%	0.17%
3	Ameren Corp.	\$26.65	\$32.80	0.81	212.30	252.00	3.49%	2.83%	-23.09%	-0.65%
4	CMS Energy Corp.	\$15.00	\$10.88	1.38	226.41	238.00	1.00%	1.38%	27.48%	0.38%
5	Consol. Edison	\$44.02	\$35.43	1.24	273.72	285.00	0.81%	1.01%	19.52%	0.20%
6	DTE Energy	\$41.98	\$36.77	1.14	163.02	178.00	1.77%	2.03%	12.41%	0.25%
7	Duke Energy	\$16.84	\$16.50	1.02	1272.00	1315.00	0.67%	0.68%	2.03%	0.01%
8	Empire Dist. Elec.	\$18.59	\$15.56	1.19	33.98	42.00	4.33%	5.17%	16.32%	0.84%
9	Entergy Corp.	\$80.31	\$42.07	1.91	189.36	180.00	-1.01%	-1.93%	47.62%	-0.92%
10	Exelon Corp.	\$48.39	\$16.79	2.88	658.00	635.00	-0.71%	-2.04%	65.30%	-1.33%
11	MGE Energy	\$35.20	\$20.88	1.69	22.90	25.00	1.77%	2.98%	40.68%	1.21%
12	Northeast Utilities	\$25.02	\$19.38	1.29	155.83	188.00	3.82%	4.94%	22.53%	1.11%
13	North Western Corp.	\$25.63	\$21.25	1.21	35.93	N/A	N/A	N/A	17.08%	N/A
14	NSTAR	\$34.52	\$16.74	2.06	106.81	106.81	0.00%	0.00%	51.51%	0.00%
15	NV Energy Inc.	\$12.03	\$13.36	0.90	234.32	250.00	1.30%	1.17%	-11.05%	-0.13%
16	PG&E Corp.	\$43.59	\$25.97	1.68	361.06	400.00	2.07%	3.47%	40.43%	1.40%
17	Public Serv. Enterprise	\$32.11	\$15.36	2.09	506.02	490.00	-0.64%	-1.34%	52.17%	-0.70%
18	TECO Energy	\$15.55	\$9.43	1.65	212.90	218.00	0.47%	0.78%	39.34%	0.31%
19	Unisource Energy	\$31.22	\$19.16	1.63	35.46	37.50	1.12%	1.83%	38.64%	0.71%
20	Wisconsin Energy	\$47.52	\$28.54	1.67	116.92	117.00	0.01%	0.02%	39.95%	0.01%
21	Xcel Energy Inc.	\$20.67	\$15.35	1.35	453.79	464.00	0.45%	0.60%	25.75%	0.15%
22	Avista Corp.	\$20.95	\$18.30	1.14	54.49	58.50	1.43%	1.64%	12.63%	0.21%
23	Average	\$31.75	\$21.88	1.47	248.56	268.47	1.35%	1.58%	26.12%	0.23%

Sources:

¹ <http://moneycentral.msn.com>, downloaded on February 4, 2010.

² *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

³ Expected Growth in the Number of Shares.

⁴ Expected Profit of Stock Investment.

Delmarva Power and Light Company

Sustainable Growth (S&P Electric Utilities)

Line	Company	13-Week Average Stock Price ¹	2008 Book Value P/S Projection ²	Market to Book Ratio ³	Common Shares Outstanding (in Millions) ²		Growth ³	S Factor ³	V Factor ⁴	S * V
		(1)	(2)	(3)	2008 (4)	3-5 Years (5)				
1	Allegheny Energy	\$22.78	\$16.83	1.35	169.36	174.00	0.54%	0.73%	26.13%	0.19%
2	Ameren Corp.	\$26.65	\$32.80	0.81	212.30	252.00	3.49%	2.83%	-23.09%	-0.65%
3	CMS Energy Corp.	\$15.00	\$10.88	1.38	226.41	238.00	1.00%	1.38%	27.48%	0.38%
4	CenterPoint Energy	\$13.85	\$5.89	2.35	346.09	420.00	3.95%	9.28%	57.46%	5.33%
5	Consol. Edison	\$44.02	\$35.43	1.24	273.72	285.00	0.81%	1.01%	19.52%	0.20%
6	DTE Energy	\$41.98	\$36.77	1.14	163.02	178.00	1.77%	2.03%	12.41%	0.25%
7	Dominion Resources	\$37.87	\$17.28	2.19	583.20	623.00	1.33%	2.91%	54.38%	1.58%
8	Duke Energy	\$16.84	\$16.50	1.02	1272.00	1315.00	0.67%	0.68%	2.03%	0.01%
9	Edison Int'l	\$34.50	\$29.21	1.18	325.81	325.81	0.00%	0.00%	15.34%	0.00%
10	Entergy Corp.	\$80.31	\$42.07	1.91	189.36	180.00	-1.01%	-1.93%	47.62%	-0.92%
11	Exelon Corp.	\$48.39	\$16.79	2.88	658.00	635.00	-0.71%	-2.04%	65.30%	-1.33%
12	FPL Group	\$52.03	\$28.57	1.82	408.92	438.00	1.38%	2.52%	45.08%	1.14%
13	FirstEnergy Corp.	\$44.84	\$27.17	1.65	304.84	304.84	0.00%	0.00%	39.41%	0.00%
14	Integrus Energy	\$40.46	\$40.79	0.99	75.99	82.00	1.53%	1.52%	-0.83%	-0.01%
15	NiSource, Inc.	\$14.75	\$17.24	0.86	274.26	279.00	0.34%	0.29%	-16.89%	-0.05%
16	PG&E Corp.	\$43.59	\$25.97	1.68	361.06	400.00	2.07%	3.47%	40.43%	1.40%
17	PPL Corp.	\$31.33	\$13.55	2.31	374.58	370.00	-0.25%	-0.57%	56.74%	-0.32%
18	Pepco Holdings	\$16.50	\$19.14	0.86	218.91	265.00	3.90%	3.36%	-16.03%	-0.54%
19	Pinnacle West Capital	\$35.82	\$34.16	1.05	100.89	118.00	3.18%	3.34%	4.64%	0.15%
20	Progress Energy	\$39.66	\$32.55	1.22	264.00	288.00	1.76%	2.14%	17.92%	0.38%
21	Public Serv. Enterprise	\$32.11	\$15.36	2.09	506.02	490.00	-0.64%	-1.34%	52.17%	-0.70%
22	Sempra Energy	\$53.49	\$32.75	1.63	243.32	250.00	0.54%	0.89%	38.77%	0.34%
23	Southern Co.	\$32.74	\$17.08	1.92	777.19	823.00	1.15%	2.21%	47.82%	1.06%
24	TECO Energy	\$15.55	\$9.43	1.65	212.90	218.00	0.47%	0.78%	39.34%	0.31%
25	Wisconsin Energy	\$47.52	\$28.54	1.67	116.92	117.00	0.01%	0.02%	39.95%	0.01%
26	Xcel Energy Inc.	\$20.67	\$15.35	1.35	453.79	464.00	0.45%	0.60%	25.75%	0.15%
27	Average	\$34.74	\$23.77	1.55	350.49	366.64	1.07%	1.39%	27.65%	0.32%

Sources:

¹ <http://moneycentral.msn.com>, downloaded on February 4, 2010.

² *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

³ Expected Growth in the Number of Shares.

⁴ Expected Profit of Stock Investment.

Delmarva Power and Light Company

Sustainable Constant Growth DCF Model (Combination Electric and Gas Utilities)

<u>Line</u>	<u>Company</u>	<u>13-Week AVG Stock Price¹</u> (1)	<u>Sustainable Growth²</u> (2)	<u>Annual Dividend³</u> (3)	<u>Adjusted Yield</u> (4)	<u>Constant Growth DCF</u> (5)
1	ALLETE	\$32.94	4.59%	\$1.76	5.59%	10.18%
2	Alliant Energy	\$29.84	4.04%	\$1.50	5.23%	9.27%
3	Ameren Corp.	\$26.65	2.88%	\$1.54	5.95%	8.83%
4	CMS Energy Corp.	\$15.00	5.42%	\$0.50	3.51%	8.94%
5	Consol. Edison	\$44.02	3.68%	\$2.36	5.56%	9.24%
6	DTE Energy	\$41.98	4.43%	\$2.12	5.27%	9.70%
7	Duke Energy	\$16.84	1.76%	\$0.96	5.80%	7.56%
8	Empire Dist. Elec.	\$18.59	3.19%	\$1.28	7.10%	10.29%
9	Entergy Corp.	\$80.31	6.97%	\$3.00	4.00%	10.97%
10	Exelon Corp.	\$48.39	9.01%	\$2.10	4.73%	13.74%
11	MGE Energy	\$35.20	7.01%	\$1.47	4.48%	11.49%
12	Northeast Utilities	\$25.02	5.71%	\$0.95	4.01%	9.72%
13	North Western Corp.	\$25.63	N/A	\$1.34	N/A	N/A
14	NSTAR	\$34.52	6.07%	\$1.50	4.61%	10.68%
15	NV Energy Inc.	\$12.03	4.20%	\$0.40	3.46%	7.67%
16	PG&E Corp.	\$43.59	7.32%	\$1.68	4.14%	11.46%
17	Public Serv. Enterprise	\$32.11	8.22%	\$1.33	4.48%	12.71%
18	TECO Energy	\$15.55	4.66%	\$0.80	5.39%	10.04%
19	Unisource Energy	\$31.22	6.64%	\$1.16	3.96%	10.60%
20	Wisconsin Energy	\$47.52	6.37%	\$1.35	3.02%	9.39%
21	Xcel Energy Inc.	\$20.67	4.99%	\$0.98	4.98%	9.97%
22	Avista Corp.	\$20.95	2.81%	\$0.84	4.12%	6.93%
23	Average	\$31.75	5.24%	\$1.41	4.73%	9.97%
24	Median					9.97%

Sources:

¹ <http://moneycentral.msn.com>, downloaded on February 4, 2010.

² Exhibit MPG-10, page 1, column 10.

³ *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

Delmarva Power and Light Company

Sustainable Constant Growth DCF Model (S&P Electric Utilities)

<u>Line</u>	<u>Company</u>	<u>13-Week AVG Stock Price¹</u> (1)	<u>Sustainable Growth²</u> (2)	<u>Annual Dividend³</u> (3)	<u>Adjusted Yield</u> (4)	<u>Constant Growth DCF</u> (5)
1	Allegheny Energy	\$22.78	8.85%	\$0.60	2.87%	11.72%
2	Ameren Corp.	\$26.65	2.88%	\$1.54	5.95%	8.83%
3	CMS Energy Corp.	\$15.00	5.42%	\$0.50	3.51%	8.94%
4	CenterPoint Energy	\$13.85	12.28%	\$0.76	6.16%	18.44%
5	Consol. Edison	\$44.02	3.68%	\$2.36	5.56%	9.24%
6	DTE Energy	\$41.98	4.43%	\$2.12	5.27%	9.70%
7	Dominion Resources	\$37.87	8.79%	\$1.75	5.03%	13.82%
8	Duke Energy	\$16.84	1.76%	\$0.96	5.80%	7.56%
9	Edison Int'l	\$34.50	7.78%	\$1.24	3.87%	11.65%
10	Entergy Corp.	\$80.31	6.97%	\$3.00	4.00%	10.97%
11	Exelon Corp.	\$48.39	9.01%	\$2.10	4.73%	13.74%
12	FPL Group	\$52.03	7.92%	\$1.89	3.92%	11.84%
13	FirstEnergy Corp.	\$44.84	6.90%	\$2.20	5.24%	12.14%
14	Integrus Energy	\$40.46	1.98%	\$2.72	6.86%	8.83%
15	NiSource, Inc.	\$14.75	2.29%	\$0.92	6.38%	8.67%
16	PG&E Corp.	\$43.59	7.32%	\$1.68	4.14%	11.46%
17	PPL Corp.	\$31.33	9.51%	\$1.38	4.82%	14.33%
18	Pepco Holdings	\$16.50	1.99%	\$1.08	6.68%	8.67%
19	Pinnacle West Capital	\$35.82	3.00%	\$2.10	6.04%	9.04%
20	Progress Energy	\$39.66	3.24%	\$2.48	6.46%	9.70%
21	Public Serv. Enterprise	\$32.11	8.22%	\$1.33	4.48%	12.71%
22	Sempra Energy	\$53.49	8.29%	\$1.56	3.16%	11.45%
23	Southern Co.	\$32.74	5.76%	\$1.75	5.65%	11.42%
24	TECO Energy	\$15.55	4.66%	\$0.80	5.39%	10.04%
25	Wisconsin Energy	\$47.52	6.37%	\$1.35	3.02%	9.39%
26	Xcel Energy Inc.	\$20.67	4.99%	\$0.98	4.98%	9.97%
27	Average	\$34.74	5.94%	\$1.58	5.00%	10.93%
31	Median					10.51%

Sources:

¹ <http://moneycentral.msn.com>, downloaded on February 4, 2010.

² Exhibit MPG-10, page 2, column 10.

³ *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

Delmarva Power and Light Company

Multi-Stage Growth DCF Model (Combination Electric and Gas Utilities)

Line	Company	13-Week AVG	Annual	First Stage	Second Stage Growth					Third Stage	Multi-Stage
		Stock Price ¹	Dividend ²	Growth	Year 6	Year 7	Year 8	Year 9	Year 10	Growth ³	Growth DCF
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	ALLETE	\$32.94	\$1.76	5.17%	5.12%	5.08%	5.03%	4.99%	4.94%	4.90%	10.60%
2	Alliant Energy	\$29.84	\$1.50	3.67%	3.87%	4.08%	4.28%	4.49%	4.69%	4.90%	9.79%
3	Ameren Corp.	\$26.65	\$1.54	3.50%	3.73%	3.97%	4.20%	4.43%	4.67%	4.90%	10.47%
4	CMS Energy Corp.	\$15.00	\$0.50	5.42%	5.34%	5.25%	5.16%	5.07%	4.99%	4.90%	8.51%
5	Consol. Edison	\$44.02	\$2.36	3.33%	3.59%	3.86%	4.12%	4.38%	4.64%	4.90%	10.01%
6	DTE Energy	\$41.98	\$2.12	3.78%	3.96%	4.15%	4.34%	4.53%	4.71%	4.90%	9.84%
7	Duke Energy	\$16.84	\$0.96	4.33%	4.43%	4.52%	4.62%	4.71%	4.81%	4.90%	10.68%
8	Empire Dist. Elec.	\$18.59	\$1.28	N/A	N/A	N/A	N/A	N/A	N/A	4.90%	N/A
9	Entergy Corp.	\$80.31	\$3.00	5.90%	5.73%	5.57%	5.40%	5.23%	5.07%	4.90%	9.07%
10	Exelon Corp.	\$48.39	\$2.10	1.15%	1.77%	2.40%	3.02%	3.65%	4.27%	4.90%	8.47%
11	MGE Energy	\$35.20	\$1.47	5.00%	4.98%	4.97%	4.95%	4.93%	4.92%	4.90%	9.32%
12	Northeast Utilities	\$25.02	\$0.95	8.44%	7.85%	7.26%	6.67%	6.08%	5.49%	4.90%	9.84%
13	North Western Corp.	\$25.63	\$1.34	7.22%	6.84%	6.45%	6.06%	5.67%	5.29%	4.90%	11.19%
14	NSTAR	\$34.52	\$1.50	5.42%	5.33%	5.25%	5.16%	5.07%	4.99%	4.90%	9.61%
15	NV Energy Inc.	\$12.03	\$0.40	9.05%	8.36%	7.66%	6.97%	6.28%	5.59%	4.90%	9.40%
16	PG&E Corp.	\$43.59	\$1.68	7.40%	6.98%	6.57%	6.15%	5.73%	5.32%	4.90%	9.61%
17	Public Serv. Enterprise	\$32.11	\$1.33	4.61%	4.66%	4.71%	4.76%	4.80%	4.85%	4.90%	9.16%
18	TECO Energy	\$15.55	\$0.80	6.25%	6.03%	5.80%	5.58%	5.35%	5.13%	4.90%	10.75%
19	Unisource Energy	\$31.22	\$1.16	5.00%	4.98%	4.97%	4.95%	4.93%	4.92%	4.90%	8.82%
20	Wisconsin Energy	\$47.52	\$1.35	9.26%	8.54%	7.81%	7.08%	6.35%	5.63%	4.90%	8.82%
21	Xcel Energy Inc.	\$20.67	\$0.98	6.00%	5.82%	5.64%	5.45%	5.27%	5.08%	4.90%	10.22%
22	Avista Corp.	\$20.95	\$0.84	5.00%	4.98%	4.97%	4.95%	4.93%	4.92%	4.90%	9.13%
23	Average	\$31.75	\$1.41	5.47%	5.38%	5.28%	5.19%	5.09%	5.00%	4.90%	9.68%
24	Median										9.61%

Sources:

¹ <http://moneycentral.msn.com>, downloaded on February 4, 2010.

² *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

³ *Blue Chip Financial Forecasts*, December 1, 2009 at 14.

Delmarva Power and Light Company

Multi-Stage Growth DCF Model (S&P Electric Utilities)

Line	Company	13-Week AVG	Annual	First Stage	Second Stage Growth					Third Stage	Multi-Stage
		Stock Price ¹	Dividend ²	Growth	Year 6	Year 7	Year 8	Year 9	Year 10	Growth ³	Growth DCF
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Allegheny Energy	\$22.78	\$0.60	8.36%	7.78%	7.21%	6.63%	6.05%	5.48%	4.90%	8.34%
2	Ameren Corp.	\$26.65	\$1.54	3.50%	3.73%	3.97%	4.20%	4.43%	4.67%	4.90%	10.47%
3	CMS Energy Corp.	\$15.00	\$0.50	5.42%	5.34%	5.25%	5.16%	5.07%	4.99%	4.90%	8.51%
4	CenterPoint Energy	\$13.85	\$0.76	5.33%	5.26%	5.19%	5.12%	5.04%	4.97%	4.90%	10.81%
5	Consol. Edison	\$44.02	\$2.36	3.33%	3.59%	3.86%	4.12%	4.38%	4.64%	4.90%	10.01%
6	DTE Energy	\$41.98	\$2.12	3.78%	3.96%	4.15%	4.34%	4.53%	4.71%	4.90%	9.84%
7	Dominion Resources	\$37.87	\$1.75	5.31%	5.24%	5.18%	5.11%	5.04%	4.97%	4.90%	9.87%
8	Duke Energy	\$16.84	\$0.96	4.33%	4.43%	4.52%	4.62%	4.71%	4.81%	4.90%	10.68%
9	Edison Int'l	\$34.50	\$1.24	3.67%	3.87%	4.08%	4.28%	4.49%	4.69%	4.90%	8.38%
10	Entergy Corp.	\$80.31	\$3.00	5.90%	5.73%	5.57%	5.40%	5.23%	5.07%	4.90%	9.07%
11	Exelon Corp.	\$48.39	\$2.10	1.15%	1.77%	2.40%	3.02%	3.65%	4.27%	4.90%	8.47%
12	FPL Group	\$52.03	\$1.89	7.08%	6.72%	6.36%	5.99%	5.63%	5.26%	4.90%	9.26%
13	FirstEnergy Corp.	\$44.84	\$2.20	3.83%	4.01%	4.19%	4.37%	4.54%	4.72%	4.90%	9.72%
14	Integrus Energy	\$40.46	\$2.72	9.88%	9.05%	8.22%	7.39%	6.56%	5.73%	4.90%	14.16%
15	NiSource, Inc.	\$14.75	\$0.92	2.11%	2.58%	3.04%	3.51%	3.97%	4.44%	4.90%	10.43%
16	PG&E Corp.	\$43.59	\$1.68	7.40%	6.98%	6.57%	6.15%	5.73%	5.32%	4.90%	9.61%
17	PPL Corp.	\$31.33	\$1.38	10.64%	9.68%	8.72%	7.77%	6.81%	5.86%	4.90%	11.36%
18	Pepco Holdings	\$16.50	\$1.08	5.55%	5.44%	5.34%	5.23%	5.12%	5.01%	4.90%	12.03%
19	Pinnacle West Capital	\$35.82	\$2.10	6.47%	6.21%	5.94%	5.68%	5.42%	5.16%	4.90%	11.64%
20	Progress Energy	\$39.66	\$2.48	3.96%	4.12%	4.27%	4.43%	4.59%	4.74%	4.90%	11.10%
21	Public Serv. Enterprise	\$32.11	\$1.33	4.61%	4.66%	4.71%	4.76%	4.80%	4.85%	4.90%	9.16%
22	Sempra Energy	\$53.49	\$1.56	6.83%	6.51%	6.19%	5.87%	5.54%	5.22%	4.90%	8.36%
23	Southern Co.	\$32.74	\$1.75	5.43%	5.34%	5.26%	5.17%	5.08%	4.99%	4.90%	10.69%
24	TECO Energy	\$15.55	\$0.80	6.25%	6.03%	5.80%	5.58%	5.35%	5.13%	4.90%	10.75%
25	Wisconsin Energy	\$47.52	\$1.35	9.26%	8.54%	7.81%	7.08%	6.35%	5.63%	4.90%	8.82%
26	Xcel Energy Inc.	\$20.67	\$0.98	6.00%	5.82%	5.64%	5.45%	5.27%	5.08%	4.90%	10.22%
27	Average	\$34.74	\$1.58	5.59%	5.48%	5.36%	5.25%	5.13%	5.02%	4.90%	10.07%
28	Median										9.94%

Sources:

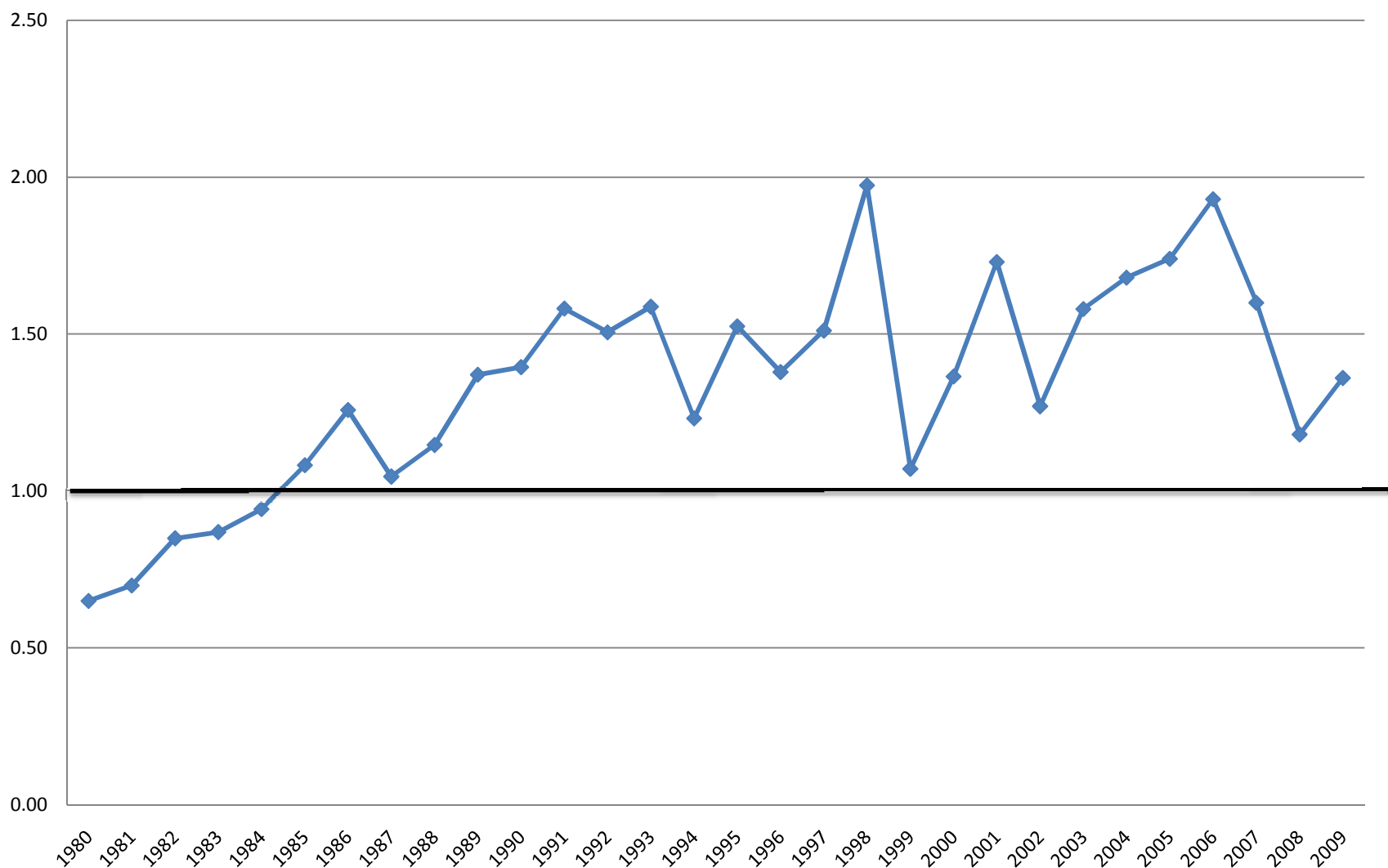
¹ <http://moneycentral.msn.com>, downloaded on February 4, 2010.

² *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

³ *Blue Chip Financial Forecasts*, December 1, 2009 at 14.

Delmarva Power and Light Company

Electric Common Stock Market/Book Ratio



Sources:

2001 - September 2009: *AUS Utility Reports*.

1980 - 2000: *Mergent Public Utility Manual*, 2003.

Delmarva Power and Light Company

Equity Risk Premium - Treasury Bond

<u>Line</u>	<u>Year</u>	<u>Authorized Electric Returns¹</u> (1)	<u>Treasury Bond Yield²</u> (2)	<u>Indicated Risk Premium</u> (3)
1	1986	13.93%	7.78%	6.15%
2	1987	12.99%	8.59%	4.40%
3	1988	12.79%	8.96%	3.83%
4	1989	12.97%	8.45%	4.52%
5	1990	12.70%	8.61%	4.09%
6	1991	12.55%	8.14%	4.41%
7	1992	12.09%	7.67%	4.42%
8	1993	11.41%	6.59%	4.82%
9	1994	11.34%	7.37%	3.97%
10	1995	11.55%	6.88%	4.67%
11	1996	11.39%	6.71%	4.68%
12	1997	11.40%	6.61%	4.79%
13	1998	11.66%	5.58%	6.08%
14	1999	10.77%	5.87%	4.90%
15	2000	11.43%	5.94%	5.49%
16	2001	11.09%	5.49%	5.60%
17	2002	11.16%	5.43%	5.73%
18	2003	10.97%	4.96%	6.01%
19	2004	10.75%	5.05%	5.70%
20	2005	10.54%	4.65%	5.89%
21	2006	10.36%	4.91%	5.45%
22	2007	10.36%	4.84%	5.52%
23	2008	10.46%	4.28%	6.18%
24	2009	10.48%	4.07%	6.41%
25	Average	11.55%	6.39%	5.16%

Sources:

¹ Regulatory Research Associates, Inc., *Regulatory Focus*, Jan. 85 - Dec. 06, and January 8, 2010.

² Economic Report of the President 2008: Table 73. The yields from 2002 to 2005 represent the 20-Year Treasury yields obtained from the Federal Reserve Bank.

Delmarva Power and Light Company

Equity Risk Premium - Utility Bond

<u>Line</u>	<u>Year</u>	<u>Authorized Electric Returns¹</u> (1)	<u>Average "A" Rating Utility Bond Yield²</u> (2)	<u>Indicated Risk Premium</u> (3)
1	1986	13.93%	9.58%	4.35%
2	1987	12.99%	10.10%	2.89%
3	1988	12.79%	10.49%	2.30%
4	1989	12.97%	9.77%	3.20%
5	1990	12.70%	9.86%	2.84%
6	1991	12.55%	9.36%	3.19%
7	1992	12.09%	8.69%	3.40%
8	1993	11.41%	7.59%	3.82%
9	1994	11.34%	8.31%	3.03%
10	1995	11.55%	7.89%	3.66%
11	1996	11.39%	7.75%	3.64%
12	1997	11.40%	7.60%	3.80%
13	1998	11.66%	7.04%	4.62%
14	1999	10.77%	7.62%	3.15%
15	2000	11.43%	8.24%	3.19%
16	2001	11.09%	7.76%	3.33%
17	2002	11.16%	7.37%	3.79%
18	2003	10.97%	6.58%	4.39%
19	2004	10.75%	6.16%	4.59%
20	2005	10.54%	5.65%	4.89%
21	2006	10.36%	6.07%	4.29%
22	2007	10.36%	6.07%	4.29%
23	2008	10.46%	6.53%	3.93%
24	2009	10.48%	6.04%	4.44%
25	Average	11.55%	7.84%	3.71%

Sources:

¹ Regulatory Research Associates, Inc., *Regulatory Focus*, Jan. 85 - Dec. 06, and January 8, 2010.

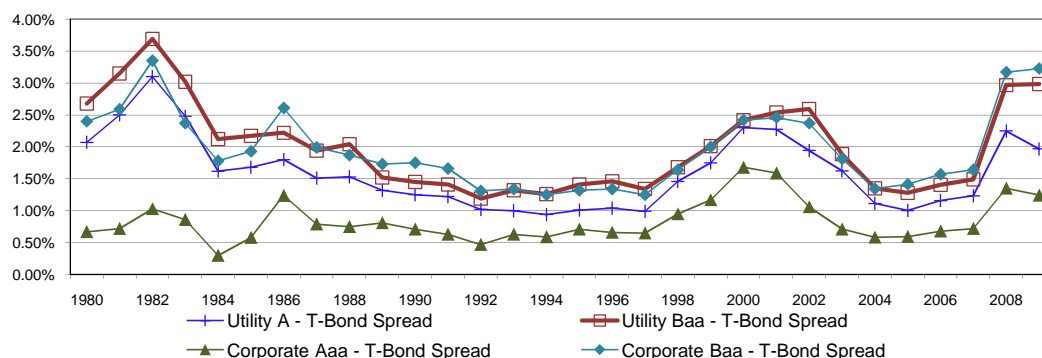
² Economic Report of the President 2008: Table 73. The yields from 2002 to 2005 represent the 20-Year Treasury yields obtained from the Federal Reserve Bank.

Delmarva Power and Light Company

Utility Bond Yield Spreads

Line	Year	Public Utility Bond Yields					Corporate Bond Yields				
		T-Bond Yield ¹ (1)	A ² (2)	Baa ² (3)	A-T-Bond Spread (4)	Baa-T-Bond Spread (5)	Aaa ¹ (6)	Baa ¹ (7)	Aaa-T-Bond Spread (8)	Baa-T-Bond Spread (9)	Baa Utility - Corporate (10)
1	1980	11.27%	13.34%	13.95%	2.07%	2.68%	11.94%	13.67%	0.67%	2.40%	0.28%
2	1981	13.45%	15.95%	16.60%	2.50%	3.15%	14.17%	16.04%	0.72%	2.59%	0.56%
3	1982	12.76%	15.86%	16.45%	3.10%	3.69%	13.79%	16.11%	1.03%	3.35%	0.34%
4	1983	11.18%	13.66%	14.20%	2.48%	3.02%	12.04%	13.55%	0.86%	2.37%	0.65%
5	1984	12.41%	14.03%	14.53%	1.62%	2.12%	12.71%	14.19%	0.30%	1.78%	0.34%
6	1985	10.79%	12.47%	12.96%	1.68%	2.17%	11.37%	12.72%	0.58%	1.93%	0.24%
7	1986	7.78%	9.58%	10.00%	1.80%	2.22%	9.02%	10.39%	1.24%	2.61%	-0.39%
8	1987	8.59%	10.10%	10.53%	1.51%	1.94%	9.38%	10.58%	0.79%	1.99%	-0.05%
9	1988	8.96%	10.49%	11.00%	1.53%	2.04%	9.71%	10.83%	0.75%	1.87%	0.17%
10	1989	8.45%	9.77%	9.97%	1.32%	1.52%	9.26%	10.18%	0.81%	1.73%	-0.21%
11	1990	8.61%	9.86%	10.06%	1.25%	1.45%	9.32%	10.36%	0.71%	1.75%	-0.30%
12	1991	8.14%	9.36%	9.55%	1.22%	1.41%	8.77%	9.80%	0.63%	1.66%	-0.25%
13	1992	7.67%	8.69%	8.86%	1.02%	1.19%	8.14%	8.98%	0.47%	1.31%	-0.12%
14	1993	6.59%	7.59%	7.91%	1.00%	1.32%	7.22%	7.93%	0.63%	1.34%	-0.02%
15	1994	7.37%	8.31%	8.63%	0.94%	1.26%	7.96%	8.62%	0.59%	1.25%	0.01%
16	1995	6.88%	7.89%	8.29%	1.01%	1.41%	7.59%	8.20%	0.71%	1.32%	0.09%
17	1996	6.71%	7.75%	8.17%	1.04%	1.46%	7.37%	8.05%	0.66%	1.34%	0.12%
18	1997	6.61%	7.60%	7.95%	0.99%	1.34%	7.26%	7.86%	0.65%	1.25%	0.09%
19	1998	5.58%	7.04%	7.26%	1.46%	1.68%	6.53%	7.22%	0.95%	1.64%	0.04%
20	1999	5.87%	7.62%	7.88%	1.75%	2.01%	7.04%	7.87%	1.17%	2.00%	0.01%
21	2000	5.94%	8.24%	8.36%	2.30%	2.42%	7.62%	8.36%	1.68%	2.42%	0.00%
22	2001	5.49%	7.76%	8.03%	2.27%	2.54%	7.08%	7.95%	1.59%	2.46%	0.08%
23	2002	5.43%	7.37%	8.02%	1.94%	2.59%	6.49%	7.80%	1.06%	2.37%	0.22%
24	2003	4.96%	6.58%	6.84%	1.62%	1.89%	5.67%	6.77%	0.71%	1.81%	0.07%
25	2004	5.05%	6.16%	6.40%	1.11%	1.35%	5.63%	6.39%	0.58%	1.34%	0.00%
26	2005	4.65%	5.65%	5.93%	1.00%	1.28%	5.24%	6.06%	0.59%	1.41%	-0.14%
27	2006	4.91%	6.07%	6.32%	1.16%	1.41%	5.59%	6.48%	0.68%	1.57%	-0.16%
28	2007	4.84%	6.07%	6.33%	1.23%	1.49%	5.56%	6.48%	0.72%	1.64%	-0.15%
29	2008	4.28%	6.53%	7.25%	2.25%	2.97%	5.63%	7.45%	1.35%	3.17%	-0.20%
30	2009	4.07%	6.04%	7.06%	1.97%	2.99%	5.31%	7.30%	1.24%	3.23%	-0.24%
31	Average	7.51%	9.11%	9.51%	1.61%	2.00%	8.35%	9.47%	0.84%	1.96%	0.04%

Yield Spreads
Treasury Vs. Corporate & Treasury Vs. Utility



Sources:

¹ Economic Report of the President 2008: Table 73 at 316. The yields from 2002 to 2005 represent the 20-Year Treasury yields obtained from the Federal Reserve Bank.

² *Mergent Public Utility Manual* 2003. Moody's Daily News Reports.

Delmarva Power and Light Company

Treasury and Utility Bond Yields

<u>Line</u>	<u>Date</u>	<u>30-Yr Treasury Bond Yield¹</u> (1)	<u>"A" Rating Utility Bond Yield²</u> (2)	<u>"Baa" Rating Utility Bond Yield²</u> (3)
1	01/29/10	4.51%	5.73%	6.09%
2	01/22/10	4.50%	5.68%	6.04%
3	01/15/10	4.58%	5.71%	6.09%
4	01/08/10	4.70%	5.83%	6.26%
5	12/31/09	4.63%	5.86%	6.31%
6	12/24/09	4.68%	5.94%	6.39%
7	12/18/09	4.46%	5.74%	6.18%
8	12/11/09	4.49%	5.53%	6.31%
9	12/03/09	4.33%	5.67%	6.17%
10	11/27/09	4.21%	5.55%	6.05%
11	11/20/09	4.30%	5.63%	6.14%
12	11/13/09	4.36%	5.64%	6.21%
13	11/06/09	4.40%	5.70%	6.26%
14	13-Wk Average	4.47%	5.71%	6.19%

Sources:

¹ St. Louis Federal Reserve Bank.

² www.moodys.com, Bond Yields and Key Indicators.

Delmarva Power and Light Company

Beta **(Combination Electric and Gas Utilities)**

<u>Line</u>	<u>Company</u>	<u>Beta</u>
1	ALLETE	0.70
2	Alliant Energy	0.70
3	Ameren Corp.	0.80
4	CMS Energy Corp.	0.80
5	Consol. Edison	0.65
6	DTE Energy	0.75
7	Duke Energy	0.65
8	Empire Dist. Elec.	0.75
9	Entergy Corp.	0.70
10	Exelon Corp.	0.85
11	MGE Energy	0.65
12	Northeast Utilities	0.70
13	North Western Corp.	0.70
14	NSTAR	0.65
15	NV Energy Inc.	0.90
16	PG&E Corp.	0.55
17	Public Serv. Enterprise	0.80
18	TECO Energy	0.85
19	Unisource Energy	0.70
20	Wisconsin Energy	0.65
21	Xcel Energy Inc.	0.65
22	Avista Corp.	0.70
23	Average	0.72
24	Median	0.70

Source:
The Value Line Investment Survey,
November 6, November 27, and December 25, 2009.

Delmarva Power and Light Company

Beta **(S&P Electric Utilities)**

<u>Line</u>	<u>Company</u>	<u>Beta</u>
1	Allegheny Energy	0.95
2	Ameren Corp.	0.80
3	CMS Energy Corp.	0.80
4	CenterPoint Energy	0.80
5	Consol. Edison	0.65
6	DTE Energy	0.75
7	Dominion Resources	0.70
8	Duke Energy	0.65
9	Edison Int'l	0.80
10	Entergy Corp.	0.70
11	Exelon Corp.	0.85
12	FPL Group	0.75
13	FirstEnergy Corp.	0.80
14	Integrus Energy	0.95
15	NiSource, Inc.	0.85
16	PG&E Corp.	0.55
17	PPL Corp.	0.70
18	Pepco Holdings	0.80
19	Pinnacle West Capital	0.75
20	Progress Energy	0.65
21	Public Serv. Enterprise	0.80
22	Sempra Energy	0.85
23	Southern Co.	0.55
24	TECO Energy	0.85
25	Wisconsin Energy	0.65
26	Xcel Energy Inc.	0.65
27	Average	0.75
28	Median	0.78

Source:
The Value Line Investment Survey,
November 6, November 27, and December 25, 2009.

Delmarva Power and Light Company

CAPM

<u>Line</u>	<u>(Combination Electric and Gas Utilities)</u>	<u>CAPM Range</u>	
		<u>Low</u>	<u>High</u>
1	Risk-Free Rate ¹	5.20%	5.20%
2	Risk Premium ²	5.70%	6.50%
3	Beta ³	0.75	0.75
4	CAPM	9.50%	10.10%
5	CAPM Average	9.80%	

<u>Line</u>	<u>S&P Electric Utilities</u>	<u>CAPM Range</u>	
		<u>Low</u>	<u>High</u>
6	Risk-Free Rate ¹	5.20%	5.20%
7	Risk Premium ²	5.70%	6.50%
8	Beta ³	0.72	0.72
9	CAPM	9.31%	9.88%
10	CAPM Average	9.59%	
11	CAPM Midpoint	9.70%	

Sources:

¹ *Blue Chip Financial Forecasts* ; February 2, 2010, at 2.

² Morningstar, Inc. *Ibbotson S&P 2009 Valuation Yearbook*, at 56 and 69.

³ *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

Delmarva Power and Light Company

S&P Credit Metrics

Line	Description	Amount (1)	S&P Benchmark ^{1/2}		Reference (5)
			Significant "A-" Rating (2)	Aggressive "BBB" Rating (3)	
1	Rate Base	\$ 452,600,566			Von Steuben, Schedule No. 1 - B.
2	Weighted Common Return	4.70%			Exhibit MPG-1, Line 2, Col. 4.
3	Pre-Tax Rate of Return	10.82%			Schedule MPG-1, Line 3, Col. 5.
4	Income to Common	\$ 21,290,608			Line 1 x Line 2.
5	EBIT	\$ 48,979,646			Line 1 x Line 3.
6	Depreciation & Amortization	\$ 27,365,466			Von Steuben, Schedule No. 1 - B.
7	Imputed Amortization	\$ 2,408,912			Page 3, Line 9.
8	Deferred Income Taxes	\$ 2,992,366			Von Steuben, Schedule No. 1 - B.
9	Funds from Operations (FFO)	\$ 54,057,352			Sum of Line 4 and Lines 6 through 8.
10	Imputed Interest Expense	\$ 2,078,277			Page 3, Line 8.
11	EBITDA	\$ 80,832,300			Sum of Lines 5 through 7 and Line 10.
12	Total Debt Ratio	54%	45% - 50%	50% - 60%	Page 2, Sum of Lines 1 through 3, Col. 2.
13	Debt to EBITDA	3.0x	3.0x - 4.0x	4.0x - 5.0x	(Line 1 x Line 12) / Line 11.
14	FFO to Total Debt	22%	20% - 30%	12% - 20%	Line 9 / (Line 1 x Line 12).

Sources:

¹ Standard & Poor's: "U.S. Utilities Ratings Analysis Now Portrayed in The S&P Corporate Ratings Matrix," May 27, 2009.

² Standard & Poor's: "U.S. Integrated Electric Utility Companies, Strongest to Weakest," September 1, 2009.

Note:

Based on the new S&P metrics, DPL has an "Excellent" business profile and a "Significant" financial profile.

Delmarva Power and Light Company

S&P Credit Metrics **Financial Capital Structure**

<u>Line</u>	<u>Description</u>	<u>Amount</u> (1)	<u>Weight</u> (2)
1	Long-Term Debt	\$ 883,699,338	51.22%
2	Off-Balance Sheet Debt	\$ 41,518,302	2.41%
3	Total Long-Term Debt	\$ 925,217,640	53.63%
4	Common Equity	\$ 800,043,265	46.37%
5	Total	\$ 1,725,260,905	100.00%

Source:

Schedule RAM-14 and RAM-15.

Delmarva Power and Light Company

S&P Credit Metrics **Operating Leases Debt Equivalents**

<u>Line</u>	<u>Description</u>	<u>Amount</u> (1)	<u>Reference</u> (2)
<u>DPL Delaware Allocator</u>¹			
1	Delaware December 2008 Rate Base	\$ 452,600,566	
2	Total Company Rate Base	\$ 958,218,129	
3	Delaware Allocator	<u>47.23%</u>	Line 1 / Line 2.
<u>Total Company</u>²			
4	Off-Balance Sheet Debt	\$ 87,900,000	
5	Imputed Interest Expense	\$ 4,400,000	
6	Imputed Amortization Expense	\$ 5,100,000	
<u>Delaware Allocation</u>			
7	Off-balance Sheet Debt	\$ 41,518,302	Line 3 x Line 4.
8	Imputed Interest Expense	\$ 2,078,277	Line 3 x Line 5.
9	Imputed Amortization	\$ 2,408,912	Line 3 x Line 6.

Sources:

¹ Schedule No. 1 - A and Schedule No. 1 - B.

² Standard & Poor's: "Delmarva Power & Light Company," August 6, 2009 at 5, Table 3.

Delmarva Power and Light Company

Utility Industry Historical Risk Premium

Line	Year	Utility A-Rated Bond Yield (1)	20 year Maturity Bond Value (2)	Gain/Loss (3)	Interest (4)	Bond Total Return (5)	S&P Utility Index Return (6)	Utility Equity Risk Premium Over Bond Returns (7)	Utility Equity Risk Premium Over Bond Yields (8)
1	1931	5.12%	1,000.00						
2	1932	6.46%	850.73	-149.27	51.20	-9.81%	-0.54%	9.27%	-7.00%
3	1933	6.32%	1,015.77	15.77	64.60	8.04%	-21.87%	-29.91%	-28.19%
4	1934	5.50%	1,098.72	98.72	63.20	16.19%	-20.41%	-36.60%	-25.91%
5	1935	4.61%	1,115.47	115.47	55.00	17.05%	76.63%	59.58%	72.02%
6	1936	4.08%	1,071.99	71.99	46.10	11.81%	20.69%	8.88%	16.61%
7	1937	3.98%	1,013.70	13.70	40.80	5.45%	-37.04%	-42.49%	-41.02%
8	1938	3.90%	1,011.04	11.04	39.80	5.08%	22.45%	17.37%	18.55%
9	1939	3.52%	1,054.23	54.23	39.00	9.32%	11.26%	1.94%	7.74%
10	1940	3.24%	1,040.98	40.98	35.20	7.62%	-17.15%	-24.77%	-20.39%
11	1941	3.07%	1,025.27	25.27	32.40	5.77%	-31.57%	-37.34%	-34.64%
12	1942	3.09%	997.03	-2.97	30.70	2.77%	15.39%	12.62%	12.30%
13	1943	2.99%	1,014.97	14.97	30.90	4.59%	46.07%	41.48%	43.08%
14	1944	2.97%	1,003.00	3.00	29.90	3.29%	18.03%	14.74%	15.06%
15	1945	2.87%	1,015.14	15.14	29.70	4.48%	53.33%	48.85%	50.46%
16	1946	2.71%	1,024.58	24.58	28.70	5.33%	1.26%	-4.07%	-1.45%
17	1947	2.78%	989.32	-10.68	27.10	1.64%	-13.16%	-14.80%	-15.94%
18	1948	3.02%	964.17	-35.83	27.80	-0.80%	4.01%	4.81%	0.99%
19	1949	2.90%	1,018.11	18.11	30.20	4.83%	31.39%	26.56%	28.49%
20	1950	2.79%	1,016.77	16.77	29.00	4.58%	3.25%	-1.33%	0.46%
21	1951	3.11%	952.61	-47.39	27.90	-1.95%	18.63%	20.58%	15.52%
22	1952	3.24%	980.97	-19.03	31.10	1.21%	19.25%	18.04%	16.01%
23	1953	3.49%	964.23	-35.77	32.40	-0.34%	7.85%	8.19%	4.36%
24	1954	3.16%	1,048.65	48.65	34.90	8.35%	24.72%	16.37%	21.56%
25	1955	3.22%	991.20	-8.80	31.60	2.28%	11.26%	8.98%	8.04%
26	1956	3.56%	951.65	-48.35	32.20	-1.62%	5.06%	6.68%	1.50%
27	1957	4.24%	908.92	-91.08	35.60	-5.55%	6.36%	11.91%	2.12%
28	1958	4.20%	1,005.38	5.38	42.40	4.78%	40.70%	35.92%	36.50%
29	1959	4.78%	925.83	-74.17	42.00	-3.22%	7.49%	10.71%	2.71%
30	1960	4.78%	1,000.00	0.00	47.80	4.78%	20.26%	15.48%	15.48%
31	1961	4.62%	1,020.74	20.74	47.80	6.85%	29.33%	22.48%	24.71%
32	1962	4.54%	1,010.44	10.44	46.20	5.66%	-2.44%	-8.10%	-6.98%
33	1963	4.39%	1,019.83	19.83	45.40	6.52%	12.36%	5.84%	7.97%
34	1964	4.52%	983.00	-17.00	43.90	2.69%	15.91%	13.22%	11.39%
35	1965	4.58%	992.20	-7.80	45.20	3.74%	4.67%	0.93%	0.09%
36	1966	5.39%	901.59	-98.41	45.80	-5.26%	-4.48%	0.78%	-9.87%
37	1967	5.87%	943.94	-56.06	53.90	-0.22%	-0.63%	-0.41%	-6.50%
38	1968	6.51%	928.99	-71.01	58.70	-1.23%	10.32%	11.55%	3.81%
39	1969	7.54%	894.48	-105.52	65.10	-4.04%	-15.42%	-11.38%	-22.96%
40	1970	8.69%	891.81	-108.19	75.40	-3.28%	16.56%	19.84%	7.87%
41	1971	8.16%	1,051.83	51.83	86.90	13.87%	2.41%	-11.46%	-5.75%
42	1972	7.72%	1,044.47	44.47	81.60	12.61%	8.15%	-4.46%	0.43%
43	1973	7.84%	987.98	-12.02	77.20	6.52%	-18.07%	-24.59%	-25.91%
44	1974	9.50%	852.57	-147.43	78.40	-6.90%	-21.55%	-14.65%	-31.05%
45	1975	10.09%	949.69	-50.31	95.00	4.47%	44.49%	40.02%	34.40%
46	1976	9.29%	1,072.11	72.11	100.90	17.30%	31.81%	14.51%	22.52%
47	1977	8.61%	1,064.35	64.35	92.90	15.72%	8.64%	-7.08%	0.03%
48	1978	9.29%	938.71	-61.29	86.10	2.48%	-3.71%	-6.19%	-13.00%
49	1979	10.49%	900.41	-99.59	92.90	-0.67%	13.58%	14.25%	3.09%
50	1980	13.34%	802.50	-197.50	104.90	-9.26%	15.08%	24.34%	1.74%
51	1981	15.95%	843.97	-156.03	133.40	-2.26%	11.74%	14.00%	-4.21%
52	1982	15.86%	1,005.41	5.41	159.50	16.49%	26.52%	10.03%	10.66%
53	1983	13.66%	1,149.59	149.59	158.60	30.82%	20.01%	-10.81%	6.35%
54	1984	14.03%	975.38	-24.62	136.60	11.20%	26.04%	14.84%	12.01%
55	1985	12.47%	1,113.97	113.97	140.30	25.43%	33.05%	7.62%	20.58%
56	1986	9.58%	1,255.25	255.25	124.70	37.99%	28.53%	-9.46%	18.95%
57	1987	10.10%	955.69	-44.31	95.80	5.15%	-2.92%	-8.07%	-13.02%
58	1988	10.49%	967.63	-32.37	101.00	6.86%	18.27%	11.41%	7.78%
59	1989	9.77%	1,062.76	62.76	104.90	16.77%	47.80%	31.03%	38.03%
60	1990	9.86%	992.20	-7.80	97.70	8.99%	-2.57%	-11.56%	-12.43%
61	1991	9.36%	1,044.85	44.85	98.60	14.34%	14.61%	0.27%	5.25%
62	1992	8.69%	1,063.03	63.03	93.60	15.66%	8.10%	-7.56%	-0.59%
63	1993	7.59%	1,112.26	112.26	86.90	19.92%	14.41%	-5.51%	6.82%
64	1994	8.31%	930.36	-69.64	75.90	0.63%	-7.94%	-8.57%	-16.25%
65	1995	7.89%	1,041.91	41.91	83.10	12.50%	42.15%	29.65%	34.26%
66	1996	7.75%	1,014.12	14.12	78.90	9.30%	3.14%	-6.16%	-4.61%
67	1997	7.60%	1,015.30	15.30	77.50	9.28%	24.69%	15.41%	17.09%
68	1998	7.04%	1,059.61	59.61	76.00	13.56%	14.82%	1.26%	7.78%
69	1999	7.62%	940.94	-59.06	70.40	1.13%	-8.85%	-9.98%	-16.47%
70	2000	8.24%	939.72	-60.28	76.20	1.59%	59.70%	58.11%	51.46%
71	2001	7.78%	1,046.28	46.28	82.40	12.87%	-30.41%	-43.28%	-38.19%
72	2002	7.37%	1,042.55	42.55	77.80	12.03%	-30.04%	-42.07%	-37.41%
73	2003	6.58%	1,087.17	87.17	73.70	16.09%	26.11%	10.02%	19.53%
74	2004	6.16%	1,047.92	47.92	65.80	11.37%	24.22%	12.85%	18.06%
75	2005	5.65%	1,060.65	60.65	61.60	12.22%	16.79%	4.57%	11.14%
76	2006	6.07%	951.73	-48.27	56.50	0.62%	20.95%	20.13%	14.88%
77	2007	6.07%	1,000.00	0.00	60.70	6.07%	19.36%	13.29%	13.29%
78	2008	6.53%	949.04	-50.96	60.70	0.97%	-28.99%	-29.96%	-35.52%
47	2009	6.04%	1,056.45	56.45	65.30	12.17%	11.91%	-0.26%	5.87%
80	Average (1931-2008)								4.5%
81	Average (1931-2009)								4.5%

Source:

Schedule RAM-4.

Delmarva Power and Light Company

Adjusted Morin DCF

<u>Line</u>	<u>Description</u>	<u>Average</u> (1)	<u>Median</u> (2)
<u>Constant Growth DCF</u>			
Combination Electric and Gas Utilities			
1	Value Line Growth Rates	11.7%	11.4%
2	Analysts Growth Rates	10.2%	9.8%
S&P Electric Utilities			
3	Value Line Growth Rates	10.7%	10.4%
4	Analysts Growth Rates	10.6%	10.8%
<u>Multi-Stage DCF</u>			
Combination Electric and Gas Utilities			
5	Value Line Growth Rates	10.4%	10.2%
6	Analysts Growth Rates	9.9%	10.1%
S&P Electric Utilities			
7	Value Line Growth Rates	10.1%	10.1%
8	Analysts Growth Rates	10.2%	10.1%

Delmarva Power and Light Company

Constant Growth DCF Model Value Line Growth Rates (Combination Electric and Gas Utilities)

<u>Line</u>	<u>Company</u>	<u>Recent Stock Price (1)</u>	<u>Annual Dividend¹ (2)</u>	<u>Dividend Yield (3)</u>	<u>EPS Growth* (4)</u>	<u>Expected Dividend Yield (5)</u>	<u>Cost of Equity (6)</u>
1	ALLETE	\$33.59	\$1.76	5.2%	NMF	N/A	N/A
2	Alliant Energy	\$28.85	\$1.50	5.2%	4.0%	5.4%	9.4%
3	Ameren Corp.	\$28.00	\$1.54	5.5%	1.0%	5.6%	6.6%
4	CMS Energy Corp.	\$12.82	\$0.50	3.9%	10.0%	4.3%	14.3%
5	Consol. Edison	\$42.14	\$2.36	5.6%	3.0%	5.8%	8.8%
6	DTE Energy	\$44.17	\$2.12	4.8%	8.5%	5.2%	13.7%
7	Duke Energy	\$15.41	\$0.94	6.1%	5.0%	6.4%	11.4%
8	Empire Dist. Elec.	\$19.10	\$1.28	6.7%	6.0%	7.1%	13.1%
9	Entergy Corp.	\$83.33	\$3.00	3.6%	6.0%	3.8%	9.8%
10	Exelon Corp.	\$46.67	\$2.10	4.5%	4.5%	4.7%	9.2%
11	MGE Energy	\$35.61	\$1.46	4.1%	6.0%	4.3%	10.3%
12	Northeast Utilities	\$22.62	\$0.95	4.2%	8.0%	4.5%	12.5%
13	NorthWestern Corp	\$25.88	\$1.32	5.1%	N/A	N/A	N/A
14	NSTAR	\$31.03	\$1.53	4.9%	8.0%	5.3%	13.3%
15	NV Energy Inc.	\$10.00	\$0.42	4.2%	7.5%	4.5%	12.0%
16	PG&E Corp.	\$39.34	\$1.68	4.3%	6.5%	4.5%	11.0%
17	Public Serv. Enterprise	\$30.23	\$1.33	4.4%	7.5%	4.7%	12.2%
18	TECO Energy	\$14.81	\$0.80	5.4%	4.5%	5.6%	10.1%
19	UniSource Energy	\$28.29	\$1.16	4.1%	17.0%	4.8%	21.8%
20	Wisconsin Energy	\$42.19	\$1.35	3.2%	8.0%	3.5%	11.5%
21	Xcel Energy Inc.	\$18.65	\$0.97	5.2%	6.5%	5.5%	12.0%
22	Avista Corp.	\$17.61	\$0.81	4.6%	6.5%	4.9%	11.4%
23	Average	\$30.47	\$1.40	4.8%	6.7%	5.0%	11.7%
24	Median						11.4%

Source:
Schedule RAM-6.

¹The Value Line Investment Survey, November 6, November 27, and December 25, 2009.

* The Value Line growth rate reported for ALLETE was -1.0%.

Delmarva Power and Light Company

Constant Growth DCF Model Analysts Growth Rates (Combination Electric and Gas Utilities)

<u>Line</u>	<u>Company</u>	<u>Recent Stock Price</u> (1)	<u>Annual Dividend¹</u> (2)	<u>Dividend Yield</u> (3)	<u>EPS Growth²</u> (4)	<u>Expected Dividend Yield</u> (5)	<u>Cost of Equity</u> (6)
1	ALLETE	\$33.59	\$1.76	5.2%	4.0%	5.4%	9.4%
2	Alliant Energy	\$28.85	\$1.50	5.2%	3.0%	5.4%	8.4%
3	Ameren Corp.	\$28.00	\$1.54	5.5%	3.5%	5.7%	9.2%
4	CMS Energy Corp.	\$12.82	\$0.50	3.9%	5.6%	4.1%	9.7%
5	Consol. Edison	\$42.14	\$2.36	5.6%	3.2%	5.8%	9.0%
6	DTE Energy	\$44.17	\$2.12	4.8%	5.0%	5.0%	10.0%
7	Duke Energy	\$15.41	\$0.94	6.1%	4.4%	6.4%	10.8%
8	Empire Dist. Elec.	\$19.10	\$1.28	6.7%	N/A	N/A	N/A
9	Entergy Corp.	\$83.33	\$3.00	3.6%	4.0%	3.7%	7.7%
10	Exelon Corp.	\$46.67	\$2.10	4.5%	0.5%	4.5%	5.0%
11	MGE Energy	\$35.61	\$1.46	4.1%	5.0%	4.3%	9.3%
12	Northeast Utilities	\$22.62	\$0.95	4.2%	8.9%	4.6%	13.5%
13	NorthWestern Corp	\$25.88	\$1.32	5.1%	7.7%	5.5%	13.2%
14	NSTAR	\$31.03	\$1.53	4.9%	5.8%	5.2%	11.0%
15	NV Energy Inc.	\$10.00	\$0.42	4.2%	9.3%	4.6%	13.9%
16	PG&E Corp.	\$39.34	\$1.68	4.3%	7.7%	4.6%	12.3%
17	Public Serv. Enterprise	\$30.23	\$1.33	4.4%	3.5%	4.6%	8.1%
18	TECO Energy	\$14.81	\$0.80	5.4%	6.3%	5.7%	12.0%
19	UniSource Energy	\$28.29	\$1.16	4.1%	5.0%	4.3%	9.3%
20	Wisconsin Energy	\$42.19	\$1.35	3.2%	8.7%	3.5%	12.1%
21	Xcel Energy Inc.	\$18.65	\$0.97	5.2%	5.5%	5.5%	11.0%
22	Avista Corp.	\$17.61	\$0.81	4.6%	5.0%	4.8%	9.8%
23	Average	\$30.47	\$1.40	4.8%	5.3%	4.9%	10.2%
24	Median						9.8%

Source:
Schedule RAM-7.

¹ *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

² Zacks Elite, <http://www.zackselite.com/>, downloaded on February 3, 2010.

Delmarva Power and Light Company

Constant Growth DCF Model Value Line Growth Rates (S&P Electric Utilities)

<u>Line</u>	<u>Company</u>	<u>Recent Stock Price</u> (1)	<u>Annual Dividend¹</u> (2)	<u>Dividend Yield</u> (3)	<u>EPS Growth*</u> (4)	<u>Expected Dividend Yield</u> (5)	<u>Cost of Equity</u> (6)
1	Allegheny Energy	\$22.22	\$0.60	2.7%	7.0%	2.9%	9.9%
2	Ameren Corp.	\$28.00	\$1.54	5.5%	1.0%	5.6%	6.6%
3	CMS Energy Corp.	\$12.82	\$0.50	3.9%	10.0%	4.3%	14.3%
4	Consol. Edison	\$42.14	\$2.36	5.6%	3.0%	5.8%	8.8%
5	DTE Energy	\$44.17	\$2.12	4.8%	8.5%	5.2%	13.7%
6	Duke Energy	\$15.41	\$0.94	6.1%	5.0%	6.4%	11.4%
7	Edison Int'l	\$32.05	\$1.25	3.9%	4.5%	4.1%	8.6%
8	Entergy Corp.	\$83.33	\$3.00	3.6%	6.0%	3.8%	9.8%
9	Exelon Corp.	\$46.67	\$2.10	4.5%	4.5%	4.7%	9.2%
10	FirstEnergy Corp.	\$42.31	\$2.20	5.2%	3.0%	5.4%	8.4%
11	FPL Group	\$48.46	\$1.89	3.9%	8.0%	4.2%	12.2%
12	Pepco Holdings	\$15.65	\$1.08	6.9%	NMF	N/A	N/A
13	PG&E Corp.	\$39.34	\$1.68	4.3%	6.5%	4.5%	11.0%
14	Pinnacle West Capital	\$33.33	\$2.10	6.3%	3.0%	6.5%	9.5%
15	Progress Energy	\$38.15	\$2.48	6.5%	6.0%	6.9%	12.9%
16	Public Serv. Enterprise	\$30.23	\$1.33	4.4%	7.5%	4.7%	12.2%
17	Southern Co.	\$30.51	\$1.73	5.7%	4.5%	5.9%	10.4%
18	TECO Energy	\$14.81	\$0.80	5.4%	4.5%	5.6%	10.1%
19	Wisconsin Energy	\$42.19	\$1.35	3.2%	8.0%	3.5%	11.5%
20	Xcel Energy Inc.	\$18.65	\$0.97	5.2%	6.5%	5.5%	12.0%
21	Average	\$34.02	\$1.60	4.9%	5.6%	5.0%	10.7%
22	Median						10.4%

Source:
Schedule RAM-10.

¹The Value Line Investment Survey, November 6, November 27, and December 25, 2009.

Delmarva Power and Light Company

Constant Growth DCF Model Analysts Growth Rates (S&P Electric Utilities)

<u>Line</u>	<u>Company</u>	<u>Recent Stock Price</u> (1)	<u>Annual Dividend¹</u> (2)	<u>Dividend Yield</u> (3)	<u>EPS Growth²</u> (4)	<u>Expected Dividend Yield</u> (5)	<u>Cost of Equity</u> (6)
1	Allegheny Energy	\$22.22	\$0.60	2.7%	12.8%	3.0%	15.8%
2	Ameren Corp.	\$28.00	\$1.54	5.5%	3.5%	5.7%	9.2%
3	CMS Energy Corp.	\$12.82	\$0.50	3.9%	5.6%	4.1%	9.7%
4	Consol. Edison	\$42.14	\$2.36	5.6%	3.2%	5.8%	9.0%
5	DTE Energy	\$44.17	\$2.12	4.8%	5.0%	5.0%	10.0%
6	Duke Energy	\$15.41	\$0.94	6.1%	4.4%	6.4%	10.8%
7	Edison Int'l	\$32.05	\$1.25	3.9%	5.0%	4.1%	9.1%
8	Entergy Corp.	\$83.33	\$3.00	3.6%	4.0%	3.7%	7.7%
9	Exelon Corp.	\$46.67	\$2.10	4.5%	0.5%	4.5%	5.0%
10	FirstEnergy Corp.	\$42.31	\$2.20	5.2%	3.5%	5.4%	8.9%
11	FPL Group	\$48.46	\$1.89	3.9%	6.9%	4.2%	11.1%
12	Pepco Holdings	\$15.65	\$1.08	6.9%	5.3%	7.3%	12.6%
13	PG&E Corp.	\$39.34	\$1.68	4.3%	7.7%	4.6%	12.3%
14	Pinnacle West Capital	\$33.33	\$2.10	6.3%	7.0%	6.7%	13.7%
15	Progress Energy	\$38.15	\$2.48	6.5%	4.0%	6.8%	10.8%
16	Public Serv. Enterprise	\$30.23	\$1.33	4.4%	3.5%	4.6%	8.1%
17	Southern Co.	\$30.51	\$1.73	5.7%	7.1%	6.1%	13.2%
18	TECO Energy	\$14.81	\$0.80	5.4%	6.3%	5.7%	12.0%
19	Wisconsin Energy	\$42.19	\$1.35	3.2%	8.7%	3.5%	12.1%
20	Xcel Energy Inc.	\$18.65	\$0.97	5.2%	5.5%	5.5%	11.0%
21	Average	\$34.02	\$1.60	4.9%	5.5%	5.1%	10.6%
22	Median						10.8%

Source:
Schedule RAM-12.

¹ *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

² Zacks Elite, <http://www.zackselite.com/>, downloaded on February 3, 2010.

Delmarva Power and Light Company

Multi-Stage Growth DCF Model Value Line Growth Rates (Combination Electric and Gas Utilities)

Line	Company	Recent Stock Price	Annual Dividend ¹	First Stage Growth ¹	Second Stage Growth					Third Stage Growth ²	Multi-Stage Growth DCF
		(1)	(2)	(3)	Year 6 (4)	Year 7 (5)	Year 8 (6)	Year 9 (7)	Year 10 (8)	(9)	(10)
1	ALLETE	\$33.59	\$1.76	NMF	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Alliant Energy	\$28.85	\$1.50	4.0%	4.2%	4.3%	4.5%	4.6%	4.8%	4.9%	10.1%
3	Ameren Corp.	\$28.00	\$1.54	1.0%	1.7%	2.3%	3.0%	3.6%	4.3%	4.9%	9.4%
4	CMS Energy Corp.	\$12.82	\$0.50	10.0%	9.2%	8.3%	7.5%	6.6%	5.8%	4.9%	10.5%
5	Consol. Edison	\$42.14	\$2.36	3.0%	3.3%	3.6%	4.0%	4.3%	4.6%	4.9%	10.1%
6	DTE Energy	\$44.17	\$2.12	8.5%	7.9%	7.3%	6.7%	6.1%	5.5%	4.9%	11.1%
7	Duke Energy	\$15.41	\$0.94	5.0%	5.0%	5.0%	5.0%	4.9%	4.9%	4.9%	11.3%
8	Empire Dist. Elec.	\$19.10	\$1.28	6.0%	5.8%	5.6%	5.5%	5.3%	5.1%	4.9%	12.4%
9	Entergy Corp.	\$83.33	\$3.00	6.0%	5.8%	5.6%	5.5%	5.3%	5.1%	4.9%	8.9%
10	Exelon Corp.	\$46.67	\$2.10	4.5%	4.6%	4.6%	4.7%	4.8%	4.8%	4.9%	9.5%
11	MGE Energy	\$35.61	\$1.46	6.0%	5.8%	5.6%	5.5%	5.3%	5.1%	4.9%	9.5%
12	Northeast Utilities	\$22.62	\$0.95	8.0%	7.5%	7.0%	6.5%	5.9%	5.4%	4.9%	10.2%
13	NorthWestern Corp	\$25.88	\$1.32	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14	NSTAR	\$31.03	\$1.53	8.0%	7.5%	7.0%	6.5%	5.9%	5.4%	4.9%	11.1%
15	NV Energy Inc.	\$10.00	\$0.42	7.5%	7.1%	6.6%	6.2%	5.8%	5.3%	4.9%	10.1%
16	PG&E Corp.	\$39.34	\$1.68	6.5%	6.2%	6.0%	5.7%	5.4%	5.2%	4.9%	9.8%
17	Public Serv. Enterprise	\$30.23	\$1.33	7.5%	7.1%	6.6%	6.2%	5.8%	5.3%	4.9%	10.3%
18	TECO Energy	\$14.81	\$0.80	4.5%	4.6%	4.6%	4.7%	4.8%	4.8%	4.9%	10.4%
19	UniSource Energy	\$28.29	\$1.16	17.0%	15.0%	13.0%	11.0%	8.9%	6.9%	4.9%	13.3%
20	Wisconsin Energy	\$42.19	\$1.35	8.0%	7.5%	7.0%	6.5%	5.9%	5.4%	4.9%	9.0%
21	Xcel Energy Inc.	\$18.65	\$0.97	6.5%	6.2%	6.0%	5.7%	5.4%	5.2%	4.9%	10.9%
22	Avista Corp.	\$17.61	\$0.81	6.5%	6.2%	6.0%	5.7%	5.4%	5.2%	4.9%	10.2%
23	Average	\$30.47	\$1.40	6.7%	6.4%	6.1%	5.8%	5.5%	5.2%	4.9%	10.4%
24	Median										10.2%

Sources:

¹The Value Line Investment Survey, November 6, November 27, and December 25, 2009.

²Blue Chip Financial Forecasts, December 1, 2009 at 14.

* The Value Line growth rate reported for ALLETE was -1.0%.

Delmarva Power and Light Company

Multi-Stage Growth DCF Model Analysts Growth Rates (Combination Electric and Gas Utilities)

Line	Company	Recent Stock Price	Annual Dividend ¹	First Stage Growth ²	Second Stage Growth					Third Stage Growth ³	Multi-Stage Growth DCF
		(1)	(2)	(3)	Year 6 (4)	Year 7 (5)	Year 8 (6)	Year 9 (7)	Year 10 (8)	(9)	(10)
1	ALLETE	\$33.59	\$1.76	4.0%	4.2%	4.3%	4.5%	4.6%	4.8%	4.9%	10.1%
2	Alliant Energy	\$28.85	\$1.50	3.0%	3.3%	3.6%	4.0%	4.3%	4.6%	4.9%	9.8%
3	Ameren Corp.	\$28.00	\$1.54	3.5%	3.7%	4.0%	4.2%	4.4%	4.7%	4.9%	10.2%
4	CMS Energy Corp.	\$12.82	\$0.50	5.6%	5.5%	5.4%	5.3%	5.1%	5.0%	4.9%	9.2%
5	Consol. Edison	\$42.14	\$2.36	3.2%	3.5%	3.8%	4.1%	4.3%	4.6%	4.9%	10.2%
6	DTE Energy	\$44.17	\$2.12	5.0%	5.0%	5.0%	5.0%	4.9%	4.9%	4.9%	10.0%
7	Duke Energy	\$15.41	\$0.94	4.4%	4.5%	4.6%	4.7%	4.7%	4.8%	4.9%	11.1%
8	Empire Dist. Elec.	\$19.10	\$1.28	N/A	N/A	N/A	N/A	N/A	N/A	4.9%	N/A
9	Entergy Corp.	\$83.33	\$3.00	4.0%	4.2%	4.3%	4.5%	4.6%	4.8%	4.9%	8.5%
10	Exelon Corp.	\$46.67	\$2.10	0.5%	1.2%	2.0%	2.7%	3.4%	4.2%	4.9%	8.4%
11	MGE Energy	\$35.61	\$1.46	5.0%	5.0%	5.0%	5.0%	4.9%	4.9%	4.9%	9.2%
12	Northeast Utilities	\$22.62	\$0.95	8.9%	8.2%	7.6%	6.9%	6.2%	5.6%	4.9%	10.5%
13	NorthWestern Corp	\$25.88	\$1.32	7.7%	7.2%	6.7%	6.3%	5.8%	5.4%	4.9%	11.2%
14	NSTAR	\$31.03	\$1.53	5.8%	5.6%	5.5%	5.3%	5.2%	5.0%	4.9%	10.3%
15	NV Energy Inc.	\$10.00	\$0.42	9.3%	8.6%	7.9%	7.1%	6.4%	5.6%	4.9%	10.6%
16	PG&E Corp.	\$39.34	\$1.68	7.7%	7.2%	6.7%	6.3%	5.8%	5.4%	4.9%	10.2%
17	Public Serv. Enterprise	\$30.23	\$1.33	3.5%	3.7%	4.0%	4.2%	4.4%	4.7%	4.9%	9.1%
18	TECO Energy	\$14.81	\$0.80	6.3%	6.0%	5.8%	5.6%	5.4%	5.1%	4.9%	11.0%
19	UniSource Energy	\$28.29	\$1.16	5.0%	5.0%	5.0%	5.0%	4.9%	4.9%	4.9%	9.2%
20	Wisconsin Energy	\$42.19	\$1.35	8.7%	8.0%	7.4%	6.8%	6.2%	5.5%	4.9%	9.1%
21	Xcel Energy Inc.	\$18.65	\$0.97	5.5%	5.4%	5.3%	5.2%	5.1%	5.0%	4.9%	10.6%
22	Avista Corp.	\$17.61	\$0.81	5.0%	5.0%	5.0%	5.0%	4.9%	4.9%	4.9%	9.8%
23	Average	\$30.47	\$1.40	5.3%	5.2%	5.2%	5.1%	5.0%	5.0%	4.9%	9.9%
24	Median										10.1%

Sources:

¹ *The Value Line Investment Survey*, November 6, November 27, and December 25, 2009.

² Zacks Elite, <http://www.zackselite.com/>, downloaded on February 3, 2010.

³ *Blue Chip Financial Forecasts*, December 1, 2009 at 14.

Delmarva Power and Light Company

Multi-Stage Growth DCF Model Value Line Growth Rates (S&P Electric Utilities)

Line	Company	Recent Stock Price	Annual Dividend ¹	First Stage Growth ¹	Second Stage Growth					Third Stage Growth ²	Multi-Stage Growth DCF
		(1)	(2)	(3)	Year 6 (4)	Year 7 (5)	Year 8 (6)	Year 9 (7)	Year 10 (8)	(9)	(10)
1	Allegheny Energy	\$22.22	\$0.60	7.0%	6.7%	6.3%	6.0%	5.6%	5.3%	4.9%	8.1%
2	Ameren Corp.	\$28.00	\$1.54	1.0%	1.7%	2.3%	3.0%	3.6%	4.3%	4.9%	9.4%
3	CMS Energy Corp.	\$12.82	\$0.50	10.0%	9.2%	8.3%	7.5%	6.6%	5.8%	4.9%	10.5%
4	Consol. Edison	\$42.14	\$2.36	3.0%	3.3%	3.6%	4.0%	4.3%	4.6%	4.9%	10.1%
5	DTE Energy	\$44.17	\$2.12	8.5%	7.9%	7.3%	6.7%	6.1%	5.5%	4.9%	11.1%
6	Duke Energy	\$15.41	\$0.94	5.0%	5.0%	5.0%	5.0%	4.9%	4.9%	4.9%	11.3%
7	Edison Int'l	\$32.05	\$1.25	4.5%	4.6%	4.6%	4.7%	4.8%	4.8%	4.9%	8.9%
8	Entergy Corp.	\$83.33	\$3.00	6.0%	5.8%	5.6%	5.5%	5.3%	5.1%	4.9%	8.9%
9	Exelon Corp.	\$46.67	\$2.10	4.5%	4.6%	4.6%	4.7%	4.8%	4.8%	4.9%	9.5%
10	FirstEnergy Corp.	\$42.31	\$2.20	3.0%	3.3%	3.6%	4.0%	4.3%	4.6%	4.9%	9.8%
11	FPL Group	\$48.46	\$1.89	8.0%	7.5%	7.0%	6.5%	5.9%	5.4%	4.9%	9.8%
12	Pepco Holdings	\$15.65	\$1.08	NMF	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13	PG&E Corp.	\$39.34	\$1.68	6.5%	6.2%	6.0%	5.7%	5.4%	5.2%	4.9%	9.8%
14	Pinnacle West Capital	\$33.33	\$2.10	3.0%	3.3%	3.6%	4.0%	4.3%	4.6%	4.9%	10.8%
15	Progress Energy	\$38.15	\$2.48	6.0%	5.8%	5.6%	5.5%	5.3%	5.1%	4.9%	12.2%
16	Public Serv. Enterprise	\$30.23	\$1.33	7.5%	7.1%	6.6%	6.2%	5.8%	5.3%	4.9%	10.3%
17	Southern Co.	\$30.51	\$1.73	4.5%	4.6%	4.6%	4.7%	4.8%	4.8%	4.9%	10.7%
18	TECO Energy	\$14.81	\$0.80	4.5%	4.6%	4.6%	4.7%	4.8%	4.8%	4.9%	10.4%
19	Wisconsin Energy	\$42.19	\$1.35	8.0%	7.5%	7.0%	6.5%	5.9%	5.4%	4.9%	9.0%
20	Xcel Energy Inc.	\$18.65	\$0.97	6.5%	6.2%	6.0%	5.7%	5.4%	5.2%	4.9%	10.9%
21	Average	\$34.02	\$1.60	5.6%	5.5%	5.4%	5.3%	5.1%	5.0%	4.9%	10.1%
22	Median										10.1%

Sources:

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² Blue Chip Financial Forecasts, December 1, 2009 at 14.

* The growth rate for Pepco Holdings was reported as Not Meaningful by Value Line.

Delmarva Power and Light Company

Multi-Stage Growth DCF Model Analysts Growth Rates (S&P Electric Utilities)

Line	Company	Recent Stock Price	Annual Dividend ¹	First Stage Growth ²	Second Stage Growth					Third Stage Growth ³	Multi-Stage Growth DCF
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1	Allegheny Energy	\$22.22	\$0.60	12.8%	11.4%	10.1%	8.8%	7.5%	6.2%	4.9%	9.5%
2	Ameren Corp.	\$28.00	\$1.54	3.5%	3.7%	4.0%	4.2%	4.4%	4.7%	4.9%	10.2%
3	CMS Energy Corp.	\$12.82	\$0.50	5.6%	5.5%	5.4%	5.3%	5.1%	5.0%	4.9%	9.2%
4	Consol. Edison	\$42.14	\$2.36	3.2%	3.5%	3.8%	4.1%	4.3%	4.6%	4.9%	10.2%
5	DTE Energy	\$44.17	\$2.12	5.0%	5.0%	5.0%	5.0%	4.9%	4.9%	4.9%	10.0%
6	Duke Energy	\$15.41	\$0.94	4.4%	4.5%	4.6%	4.7%	4.7%	4.8%	4.9%	11.1%
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8	Entergy Corp.	\$83.33	\$3.00	4.0%	4.2%	4.3%	4.5%	4.6%	4.8%	4.9%	8.5%
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12	Pepco Holdings	\$15.65	\$1.08	5.3%	5.3%	5.2%	5.1%	5.0%	5.0%	4.9%	12.3%
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